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**THE CANADIAN BANK
OF COMMERCE**

ANNUAL REPORT

TO WHICH IS APPENDED

**A REVIEW OF BUSINESS CONDITIONS
DURING THE YEAR 1919**

29th NOVEMBER, 1919

THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

29TH NOVEMBER, 1919



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - - \$15,000,000
REST - - - - - 15,000,000

DIRECTORS

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HALIFAX COMMITTEE

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JOHN MACNAB, Esq.

SHERBROOKE COMMITTEE

J. S. MITCHELL, Esq., Chairman
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JAMES MACKINNON, Esq.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

GENERAL MANAGER	Sir John Aird
ASSISTANT GENERAL MANAGER	H. V. F. Jones
SUPERINTENDENT OF BRANCHES	A. H. Ireland
GENERAL SUPERVISOR	R. A. Rumsey
SECRETARY	A. St. L. Trigge
ASSISTANT SECRETARY	P. H. Nowers
SUPERVISOR OF BANK PREMISES	Duncan Donald

FOREIGN DEPARTMENT

SUPERVISOR	S. H. Logan
ASSISTANT SUPERVISOR	H. P. van Gelder

DISTRICT SUPERINTENDENTS

PACIFIC COAST	H. H. Morris, Vancouver
CENTRAL WEST	V. C. Brown, Winnipeg
ONTARIO	Wm. Hogg, Toronto
EASTERN TOWNSHIPS	E. L. Stewart Patterson, Sherbrooke.
MARITIME PROVINCES AND NEWFOUNDLAND	D. Macgillivray, Halifax.

INSPECTION DEPARTMENT

CHIEF INSPECTOR	J. A. C. Kemp
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INSPECTORS

B. P. Alley, A. G. Campbell, J. B. Corbet, D. B. Falkner, E. C. Grundy,
M. D. Hamilton, E. E. Henderson, W. Spier.

ASSISTANT INSPECTORS

W. Alexander, A. E. Arscott, Hugh Baillie, D. Clarkson, L. A. S. Dack,
A. G. C. DuBoulay, A. K. Harvie, W. Hastie, H. G. Hurlburt,
T. P. Mackenzie, J. Moreton, G. F. Parton, A. P. Taylor.

AUDITOR

G. O. Blanchet

AUDIT OFFICERS

N. J. H. Hodgson, W. Lennie, R. K. McCarthy, H. H. McKee,
A. G. Mordy, E. E. W. Rhodes, C. M. Short, H. A. Taylor.

BRANCHES

BRITISH COLUMBIA AND YUKON—

ANYOX	J. D. LEWIS	Act. Mgr.
CHILLIWACK	K. V. MUNRO	Manager
COBBLE HILL	A. J. MARLOW	"
COLLINGWOOD EAST	W. M. FRASER	Act. Mgr.
COURTENAY	F. C. BROCK	Manager
CRANBROOK	C. W. HALLAMORE	"
CRESTON	C. G. BENNETT	"
CUMBERLAND	F. L. LESLIE	Act. Mgr.
DAWSON, YUKON	D. C. THOMSON	Manager
DUNCAN	A. J. MARLOW	"
FERNIE	G. A. BONNALLIE	"
GOLDEN	N. M. FOULKES	"
GRAND FORKS	C. H. NILES	"
GREENWOOD	L. E. BRAWDERS	"
KAMLOOPS	G. S. HOLT	"
KELOWNA	J. A. FORSTER	"
KEREMEOS	E. F. CORBET	"
LADNER	W. F. GRANGER	"
LADYSMITH	A. G. VERCHÈRE	"
MARPOLE	F. G. EXSHAW	Act. Mgr.
MISSION CITY	W. H. MATHEWSON	Manager
NAKUSP	J. MORRISON	Act. Mgr.
NANAIMO	E. H. BIRD	Manager
NELSON	P. B. FOWLER	"
NEW WESTMINSTER	H. R. DAVIDSON	"
NORTH VANCOUVER	H. G. PANGMAN	"
PARKSVILLE	H. T. NEWMARCH	"
PENTICTON	THOMAS ANDREWS	"
POUCE COUPE	A. J. DUTHIE	"
POWELL RIVER	H. A. McILWAINE	Act. Mgr.
PRINCE RUPERT	L. M. DE GEX	Manager
PRINCETON	H. C. B. LUCAS	"
REVELSTOKE	E. G. SANFORD	"
ROLLA	A. J. DUTHIE	"
SALMON ARM	S. K. CAMPBELL	"
SOUTH HILL	P. S. WOOD	"
SQUAMISH	J. MILLER	Act. Mgr.
TRAIL	W. M. BLACKSTOCK	Manager
VANCOUVER	{ G. V. HOLT	"
Do. COMMERCIAL DRIVE	A. C. STEVEN	Asst. Mgr.
Do. EAST	W. H. JAMES	Manager
Do. FAIRVIEW	C. W. DURRANT	"
Do. HASTINGS AND CAMBIE	M. NICHOLSON	"
Do. KITSILANO	F. L. CRAWFORD	"
Do. MOUNT PLEASANT	P. GOMERY	"
Do. POWELL ST.	HUBERT HAINES	"
VANDERHOOF	W. C. BROWN	Act. Mgr.
VERNON	G. J. WATT	"
VICTORIA	J. I. E. CORBET	Manager
Do. NORTH	W. H. HARGRAVE	"
Do. OAK BAY AVE.	H. R. BEAVEN	"
WHITE HORSE, YUKON	A. B. MORKILL	"
WILLIAMS LAKE	J. C. NEWMARCH	"
	L. P. DALLAIRE	Act. Mgr.

BRANCHES—Continued

SUB-AGENCIES

	Sub-Agency to	Open for Business
ESQUIMALT	Victoria	Daily
HATZIC	Mission City	Tues. and Fri.
MATSQUI	Mission City	Mon. and Thurs.

WESTERN PROVINCES—

ADMIRAL, SASK.	J. F. BERRY	Manager
ARBORG, MAN.	J. W. OLIVER	"
ASHMONT, ALTA.	M. H. SMITH	Act. Mgr.
BASSANO, ALTA.	A. F. MACCALLUM	Manager
BASSWOOD, MAN.	H. D. AITKEN	"
BAWLF, ALTA.	A. LAURIE	Manager
BEAVER LODGE, ALTA.	A. V. MCLEAN	Act. Mgr.
*BELLIS, ALTA.	J. POLLOCK	"
BENGOUGH, SASK.	J. D. MACKAY	"
BIGGAR, SASK.	S. H. CURRAN	Manager
BIRCH HILLS, SASK.	A. H. MUNROE	"
BLAINE LAKE, SASK.	F. J. STEWART	"
BRANDON, MAN.	W. V. GORDON	"
BRIERCREST, SASK.	J. A. SMITH	"
BRODERICK, SASK.	A. H. MILLER	"
CADOGAN, ALTA.	R. CHRISTY	"
CALGARY, ALTA.	{ C. G. K. NOURSE	Asst. Mgr.
	{ D. H. GORDON	
Do. EAST	J. A. CLARK	Manager
Do. FIRST ST. WEST	H. I. MILLAR	"
CANORA, SASK.	D. S. DUNN	"
CARMAN, MAN.	V. M. DUNLEVIE	"
CARMANGAY, ALTA.	W. G. HAMILTON	"
CENTRAL BUTTE, SASK.	R. J. FORBES	Act. Mgr.
CHAMPION, ALTA.	C. J. KYDD	Manager
CLARESHOLM, ALTA.	I. M. HALLIDAY	Act. Mgr.
COLEMAN, ALTA.	W. L. RIPPON	"
CROSSFIELD, ALTA.	F. L. WATTERS	Manager
CUDWORTH, SASK.	H. MARSHALL	Act. Mgr.
DAUPHIN, MAN.	R. M. McCaul	Manager
DELIA, ALTA.	R. C. AMES	"
DELISLE, SASK.	F. A. STUART	"
DRINKWATER, SASK.	G. G. MAYNARD	"
DRUMHELLER, ALTA.	J. H. EAKIN	"
ECKVILLE, ALTA.	J. W. MCINTOSH	"
EDAM, SASK.	A. R. GRAHAM	"
EDMONTON, ALTA.	T. M. TURNBULL	"
Do. JASPER AVE. AND 102ND ST		
Do. STRATHCONA	R. B. BUCHANAN	"
ELBOW, SASK.	M. MACPHERSON	"
ELFROS, SASK.	G. B. DALTON	"
ELGIN, MAN.	H. H. LOWE	"
ELKHORN, MAN.	R. H. BROTHERHOOD	"
ELK POINT, ALTA.	J. J. MACMAHON	"

* Open Mondays, Wednesdays, Thursdays and Saturdays only.

BRANCHES—Continued

ELSTOW, SASK.	W. J. SAVAGE	Manager
EMPRESS, ALTA.	E. L. KENNY	"
FISKE, SASK.	DON. B. SMITH	"
GIBBONS, ALTA.	G. C. PROCTOR.	"
GILBERT PLAINS, MAN.	JOHN D. SIM	"
GLEICHEN, ALTA.	L. CUTHBERT	"
GRANDE PRAIRIE, ALTA.	A. W. PENTLAND	"
GRANDVIEW, MAN.	A. W. CHAMBERS	"
GRANUM, ALTA.	F. W. WEST	"
HAFFORD, SASK.	JAMES BLACK	"
HANNA, ALTA.	A. F. GARLAND	"
HARDISTY, ALTA.	ROBT. HARPUR.	"
HAWARDEN, SASK.	WM. BULLOCK	"
HEADINGLY, MAN.	D. C. MUNRO	"
HERBERT, SASK.	J. B. SMITH.	"
HIGH PRAIRIE, ALTA.	J. D. MCKENZIE	Act. Mgr.
HIGH RIVER, ALTA.	W. D. ELLIOT	Manager
HODGEVILLE, SASK.	A. W. DAVY	Act. Mgr.
HUMBOLDT, SASK.	A. F. McCONKEY	Manager
HYAS, SASK.	M. D. SMITH	"
INNISFAIL, ALTA.	F. J. MACOUN	"
INNISFREE, ALTA.	J. W. ROBERTSON	"
IRRICANA, ALTA.	G. C. WILTON	"
ITUNA, SASK.	L. T. RAND	"
KAMSACK, SASK.	A. HAMILTON	"
KELVINGTON, SASK.	KN. JORGENSEN	"
KERROBERT, SASK.	GAVIN SHEARER	"
KINCAID, SASK.	A. WILSON	"
KINDERSLEY, SASK.	G. H. WINSTANLEY	"
KITSCOTY, ALTA.	E. MASON	"
LAKE SASKATOON, ALTA.	A. W. PENTLAND	"
LANGHAM, SASK.	R. GEDDES	"
LASHBURN, SASK.	C. S. FREEMAN	"
LESLIE, SASK.	P. S. COBB	"
LETHBRIDGE, ALTA.	R. T. BRYMNER	"
LLOYDMINSTER, SASK.	H. S. BRUCE	"
LOUGHEED, ALTA.	S. M. JOHNSTON	Act. Mgr.
LUCKY LAKE, SASK.	C. K. MCRORIE	"
MACLEOD, ALTA.	K. W. REIKIE	Manager
MANNVILLE, ALTA.	R. P. THOMPSON	"
MANYBERRIES, ALTA.	W. L. WATSON.	"
MARCELIN, SASK.	K. G. NOURSE	"
MARSHALL, SASK.	F. S. PANTER	Act. Mgr.
MEDICINE HAT, ALTA.	W. G. LYNCH	Manager
MELFORT, SASK.	J. T. BEATTIE	"
MELVILLE, SASK.	C. B. NARRAWAY	"
MILESTONE, SASK.	J. E. GRASETT	"
MILK RIVER, ALTA.	J. V. STEEL	"
MONITOR, ALTA.	J. C. MATHESON	Act. Mgr.
MOOSEJAW, SASK.	A. MAYBEE	Manager
MOOSOMIN, SASK.	B. L. BROWN	"
MORSE, SASK.	C. L. WHITBY	"
NANTON, ALTA.	A. L. JENSEN	"
NEEPAWA, MAN.	H. L. WETHEY.	"

BRANCHES—Continued

NIPAWIN, SASK.	D. FORBES	Act. Mgr.
NOKOMIS, SASK.	M. ST. C. McLEAN	Manager
NORDEGG, ALTA.	D. M. SINCLAIR	"
NORQUAY, SASK.	G. W. SUTHERLAND	"
NORTH BATTLEFORD, SASK.	W. HILBORN	"
NUTANA, SASK.	L. E. GRIFFITH	"
OCHRE RIVER, MAN.	R. M. McCAUL	"
OLDS, ALTA.	R. N. AYLWARD	"
PARKLAND, ALTA.	J. H. WHEELER	"
PATHLOW, SASK.	L. W. NEWSOM	"
PEACE RIVER, ALTA.	ALLAN MCKENZIE	"
PINCHER CREEK, ALTA.	F. L. RHODES	"
PONOKA, ALTA.	G. E. CLARKE	"
PORTAGE LA PRAIRIE, MAN.	D. H. DOWNIE	"
PRINCE ALBERT, SASK.	A. J. REYNOLDS	"
PROVOST, ALTA.	W. W. ORR	"
RADISSON, SASK.	C. PADLEY	"
RADVILLE, SASK.	A. SMITH	"
RADWAY CENTRE, ALTA.	A. NELSON	"
RED DEER, ALTA.	F. C. WHITEHOUSE	"
REDWATER, ALTA.	D. ANDERSON	"
REGINA, SASK.	A. W. RIDOUT	"
RETLAW, ALTA.	H. B. MAUNSELL	"
RICHARD, SASK.	J. C. MACPHERSON	Act. Mgr.
RIVERHURST, SASK.	JAS. CROMARTY	Manager
RIVERS, MAN.	R. M. TUCKER	"
ROCHFORD, ALTA.	G. C. SAUNDERS	Act. Mgr.
ROCKYFORD, ALTA.	R. ROBERTS	Manager
ROSEBUD CREEK, ALTA.	A. C. SCOTT	Act. Mgr.
ST. BRIEUX, SASK.	CLEM. J. MOREAU	Manager
ST. NORBERT, MAN.	P. L. DROUIN	Act. Mgr.
ST. PAUL DE METIS, ALTA.	J. N. GOSSELIN	Manager
ST. WALBURG, SASK.	D. MUNRO	"
SASKATOON, SASK.	W. J. SAVAGE	"
SEDGEWICK, ALTA.	J. D. BURPEE	"
SEMANS, SASK.	REG. W. WINFIELD	"
SHAUNAVON, SASK.	WM. KIDD	"
SHELLBROOK, SASK.	H. K. BAIRD	"
SIFTON, MAN.	THOS. WINSBY	"
SPALDING, SASK.	G. L. NASH	"
SPEERS, ALTA.	JAMES BLACK	"
SPRUCE GROVE, ALTA.	D. A. STUART	"
STAR CITY, SASK.	S. H. BRAY	"
STAVELY, ALTA.	C. W. COCHLAN	"
STONY PLAIN, ALTA.	D. A. STUART	"
SWAN RIVER, MAN.	W. M. McKIE	"
SWIFT CURRENT, SASK.	J. CAMERON	"
TABER, ALTA.	A. J. MAYNARD	"
TEULON, MAN.	G. H. WATSON	"
THE PAS, MAN.	FLETCHER KERR	"
TRAMPING LAKE, SASK.	GAVIN SHEARER	"
TRANSCONA, MAN.	R. C. HAYWARD	"
TREHERNE, MAN.	R. P. MORRISON	"
TUGASKE, SASK.	J. D. ANDRAS	"

BRANCHES—Continued

TURTLEFORD, SASK.	R. G. McLELLAN	Manager
VAWN, SASK.	A. R. GRAHAM	"
VEGREVILLE, ALTA.	J. C. RIDDELL	"
VERMILION, ALTA.	J. WALKER	"
VIRDEN, MAN.	D. M. KYDD	"
VONDA, SASK.	H. A. JOHNSTON	"
VULCAN, ALTA.	M. L. GORDON	"
WADENA, SASK.	KN. JORGENSEN	"
WARNER, ALTA.	C. G. LEWIS	"
WATROUS, SASK.	A. H. MARCON	"
WATSON, SASK.	G. L. NASH	"
WETASKIWIN, ALTA.	R. N. SHAW	"
WEYBURN, SASK.	H. J. NEALE	"
WILCOX, SASK.	H. R. MAIN	"
WILLOW BROOK, SASK.	J. R. RICHES	Act. Mgr.
WILLOW BUNCH, SASK.	F. G. MATKIN	Manager
WINNIPEG, MAN.	{ C. W. ROWLEY	"
	{ C. GORDON	Asst. Mgr.
Do. ALEXANDER AVE.	H. HILL	Manager
Do. BLAKE STREET	C. MACMILLAN	Act. Mgr.
Do. ELMWOOD	D. H. TOLMIE	Manager
Do. FORT ROUGE	D. FITZGERALD	"
Do. KELVIN STREET	D. H. TOLMIE	"
Do. NORTH	C. F. A. GREGORY	"
Do. PORTAGE AVE.	H. O. SHURTLEFF	"
Do. SELKIRK AND MCGREGOR	C. F. A. GREGORY	"
WISETON, SASK.	W. R. DAVIES	"
WROXTON, SASK.	W. COTTINGHAM	"
WYCOLLAR, SASK.	W. H. SHUFELT	Act. Mgr.
YELLOWGRASS, SASK.	E. G. OGILVIE	Manager
YORKTON, SASK.	C. A. MERCER	"
YOUNGSTOWN, ALTA.	W. BARRY	"

SUB-AGENCIES

	Sub-Agency to	Open for business
BEATTY, SASK.	Melfort	Mon, Wed., Fri.
PASWEGIN, SASK.	Wadena	Tue. and Fri.
VILNA, ALTA.	Bellis	Tue. and Fri.

ONTARIO—

AMHERSTBURG	A. J. BURNSIDE	Manager
AYR	C. MURRAY STEWART	"
BADEN	J. H. SMITH	"
BARRIE	H. M. LAY	"
BEAMSVILLE	T. C. MCGILL	Act. Mgr.
BELLEVEILLE	C. M. STORK	Manager
BIRCH CLIFF	A. H. BURLAND	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	H. W. FITTON	"
BRIGHTON	R. Y. BUGLASS	"
BROCKVILLE	W. C. JAMES	"
CAPREOL	H. DUNCAN	"
CARLETON PLACE	F. H. ADAMSON	"
CAYUGA	J. C. MUNRO	"

BRANCHES—Continued

CHATHAM	J. SIMON	Manager
COBALT	H. G. MATHEWSON	"
COLLINGWOOD	J. McE. MURRAY	"
CONISTON	H. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	J. A. McDONALD	"
DASHWOOD	F. S. KENT	"
DRESDEN	A. C. TURNER	"
DUNDAS	R. C. MACPHERSON	"
DUNNVILLE	G. E. PARKES	"
EMO	A. F. TURNER	"
EXETER	A. E. KUHN	"
FAIRBANK	J. WALTON	Act. Mgr.
FORD	W. J. McHUGH	Manager
FOREST	W. J. F. ROSS	"
FORT FRANCES	A. F. TURNER	"
FORT WILLIAM	GEO. E. EWING	"
GALT	C. E. A. DOWLER	"
GANANOQUE	A. W. WHITE	"
GODERICH	G. WILLIAMS	"
GRIMSBY	H. J. WHITE	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
Do. BARTON ST. AND SHERMAN AVE.	R. J. HEPBURN	"
Do. OTTAWA ST. AND CAMPBELL AVE.	C. D. NEVILL	"
INGERSOLL	W. C. JOHNSTON	"
IROQUOIS	B. T. ANDERSON	"
KINGSTON	F. M. GIBSON	"
KITCHENER	W. H. COLLINS	"
LINDSAY	E. M. LOCKIE	"
LONDON	A. D. McLEAN	"
Do. CITY HALL		
Do. HAMILTON ROAD	A. E. STRINGER	"
MADOC	W. D. LAWSON	"
NEW TORONTO	C. BALLARD	"
NIAGARA FALLS	L. D. LILLY	"
NIAGARA FALLS CENTRE	F. W. WILSON	"
NIAGARA-ON-THE-LAKE	T. S. LITTLE	"
ORANGEVILLE	H. E. TYLOR	"
OSHAWA	P. C. STEVENSON	"
OTTAWA	H. A. HOLMES	"
Do. BANK STREET	H. A. L'ABBÉ	"
Do. BY WARD MARKET	R. P. FINDLAY	"
OWEN SOUND	S. N. MOFFAT	"
PARIS	D. I. FORBES	"
PARKHILL	H. C. STRANGE	"
PARRY SOUND	W. H. DUNSFORD	"
PETERBORO	A. W. ROBARTS	"
PORT ARTHUR	W. H. PAGET	"
PORT COLBORNE	E. B. WALKER	"
PORT PERRY	G. BROWN	"
RAINY RIVER		

BRANCHES—Continued

ST. CATHARINES	E. A. Fox	Manager
Do. PAGE AND QUEENSTON		"
ST. THOMAS	W. G. WHITESIDE	"
SARNIA	J. L. BUCHAN	"
SAULT STE. MARIE	H. C. MORRIS	"
Do. WEST END	C. L. JEWELL	"
SCHUMACHER	J. P. TAILLON	"
SEAFORTH	J. G. MULLEN	"
SIMCOE	A. Y. SNIDER	"
SMITH'S FALLS	J. H. ROBERTSON	"
STRATFORD	G. W. HARRISON	"
STRATHROY	J. G. MILLS	"
SUDBURY	H. DUNCAN	"
THEDFORD	M. E. HARRINGTON	Act. Mgr.
THOROLD	S. H. FALKNER	Manager
TILLSONBURG	L. R. BLACKWOOD	"
TIMMINS	J. P. TAILLON	"
TORONTO	D. A. CAMERON	"
	E. P. GOWER	Asst. Mgr.
Do. BALMY BEACH	J. S. GREENSHIELDS	Manager
Do. BLOOR AND DUFFERIN	H. R. H. CHALLENGER	"
Do. BLOOR AND LIPPINCOTT	W. C. T. MORSON	"
Do. BLOOR AND RUNNYMEDE	J. B. McCUAIG	"
Do. BLOOR AND YONGE	JAMES BRYDON	"
Do. COLLEGE AND DOVERCOURT	E. C. PRINGLE	"
Do. DANFORTH AND BROADVIEW	E. R. JARVIS	"
Do. DANFORTH & GREENWOOD	H. E. ROSE	"
Do. DANFORTH AND WOODBINE		"
Do. EARLSCOURT	C. E. JOHNSTON	"
Do. GERRARD AND PAPE	N. St. B. YOUNG	"
Do. MARKET	T. A. CHISHOLM	"
	F. E. DENCH	Act. Asst. Mgr.
Do. OAKWOOD	J. WALTON	Act. Mgr.
Do. PARKDALE	W. A. COOKE	Manager
Do. PARLIAMENT STREET	A. H. CREASE	"
Do. QUEEN AND BATHURST	H. POLSON	"
Do. QUEEN EAST	D. DAVIES	"
Do. ST. CLAIR AND LANSDOWNE	H. C. CAMPBELL	"
Do. SPADINA AND COLLEGE	H. F. D. SEWELL	"
Do. WEST TORONTO	J. B. McCUAIG	"
Do. WYCHWOOD	G. B. MUNRO	"
Do. YONGE AND COLLEGE	G. C. T. PEMBERTON	"
Do. YONGE AND DELISLE	J. B. DROPE	Act. Mgr.
Do. YONGE AND QUEEN	R. W. H. KING	Manager
WALKERTON	L. G. CROZIER	"
WALKERVILLE	H. B. PARSONS	"
Do. OTTAWA STREET		"
WALTON	J. M. McMILLAN	Act. Mgr.
WATERLOO	R. H. EDMONDS	Manager
WESTON	C. B. MILLAR	"
WHITBY	C. C. PARSONS	"
WIARTON	A. E. JACKSON	"
WINDSOR	A. E. TAYLER	"
Do. WYANDOTTE ST. EAST		"

BRANCHES—Continued

WINGHAM	REG. S. WILLIAMS. . .	Manager
WOODSTOCK	G. A. HOLLAND . . .	"

SUB-AGENCIES

	Sub-Agency to	Open for business
ATTERCLIFFE	Dunnville	Mon., Wed. and Fri.
BELGRAVE	Wingham	Tues., Thur. and Sat.
BLUEVALE	Wingham	Mon., Wed. and Fri.
CAMLACHIE	Forest	Tues. and Thur. 10 to 2
CAMPDEN	Beamsville	Tues. and Fri.
CEDAR SPRINGS	Blenheim	Tues. and Fri.
NELLES CORNERS	Cayuga	Mon. and Fri.

QUEBEC—

ACTON VALE	A. L. DESSERT.	Manager
ASBESTOS	L. P. BISHOP	"
AYER'S CLIFF	F. A. JOHNSTON	"
BEDFORD	A. S. McCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	V. M. HEBERT.	Act. Mgr.
BERTHIERVILLE	J. L. ROUSSEAU	Manager
BISHOP'S CROSSING	H. H. MOE.	"
BURY	E. A. BAILEY	"
CHAMBLY	L. P. BOURGOING	"
CLARENCEVILLE	F. L. NUNNS	"
COATICOOK	} L. M. THOMAS.	"
COMPTON		
COOKSHIRE	F. E. KERRIDGE	"
COWANSVILLE	J. H. DOAK	"
DANVILLE	L. P. BISHOP	"
DRUMMONDVILLE	E. R. TANNER	"
DUNHAM	D. CARLETON	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	H. A. C. SCARTH	"
FARNHAM	ARTHUR GUAY	"
FRELIGHSBURG	M. R. WHITCOMB	"
GRANBY	A. C. SMITH	"
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	A. B. ASTLE	"
HUNTINGDON	C. W. THOMAS.	"
JOLIETTE	H. E. TEMPLE	"
KNOWLTON	F. A. MORGAN	"
LACOLLE	E. A. CHADSEY.	"
LENNOXVILLE	L. G. T. LYNCH	"
MAGOG	H. A. C. SCARTH	"
MANSONVILLE	K. R. TURNER.	"
MARBLETON	W. E. HETHERINGTON	"
MARIEVILLE	L. P. BOURGOING	"
MEGANTIC	G. M. THOMPSON	"

BRANCHES—Continued

MONTREAL	{ H. B. WALKER	Manager
Do. CRESCENT & ST. CATHERINE	{ E. L. BECK	Asst Mgr.
Do. MAISONNEUVE	M. A. MACFARLANE	Manager
Do. PRINCE ARTHUR AND PARK	E. H. CARTER	"
Do. ST. CATHERINE & CITY HALL	J. H. CARNEGIE	"
Do. ST. CATHERINE & METCALFE	W. E. MOREHOUSE	"
NORTH HATLEY	D. McLENNAN	"
ORMSTOWN	A. R. VIRGIN	"
POINTE AUX TREMBLES	N. H. SLACK	"
QUEBEC	S. A. FORBES	"
Do. UPPER TOWN	J. MACLOUGHLIN	"
RICHMOND	G. L. DOAK	"
RIMOUSKI	A. S. RAIMBACH	"
ROCK ISLAND	W. CLOUTIER	"
ROXTON FALLS	W. E. LEARNED	"
ST. CHRYSOSTOME	A. M. BRODEUR	"
ST. FELIX DE VALOIS	C. W. HAWLEY	"
ST. FERDINAND D'HALIFAX	J. A. PARENT	"
ST. GABRIEL DE BRANDON	A. E. WARD	"
ST. GEORGE, BEAUCE	J. R. BOIVIN	"
ST. HYACINTHE	J. A. ROY	"
ST. JACQUES	J. LAFRAMBOISE	"
ST. JOHNS	J. C. R. MARCHAND	"
ST. JOSEPH DE BEAUCE	G. C. BORIGHT	"
SCOTSTOWN	V. E. DESEVE	"
SHERBROOKE	C. E. SOLES	"
Do. UPPERTOWN	{ E. W. FARWELL	Asst. Mgr
Do. WELLINGTON STREET	{ W. P. RAPLEY	Manager
STANBRIDGE EAST	N. F. DINNING	"
SUTTON	F. A. BRIGGS	"
THETFORD MINES	G. D. HARVEY	"
THREE RIVERS	T. W. JUDD	"
Do. ST. MAURICE ST.	H. E. GREEN	"
VALCOURT	{ E. W. MORGAN	Asst. Mgr.
WATERLOO	{ J. M. O'HALLORAN	Manager
WATERVILLE	J. M. RENE DE COTRÉT	"
WEEDON	J. E. THOMPSON	"
WEST SHEFFORD	C. A. TUCKER	"
WINDSOR	J. LEMAY	"
	N. F. MANNING	Act. Mgr.
	J. I. McCABE	Manager

SUB-AGENCIES

	Sub-Agency to	Open for business
BARNSTON	Coaticook	Mon. and Thurs.
BROME	Knowlton	Tues. and Fri.
CHAMBLY CANTON	Chambly	Daily.
DIXVILLE	Coaticook	Tues. and Fri.
EAST HATLEY	Ayer's Cliff	Tues., 10 to 12.
FRANKLIN CENTRE	Orms town	Tues. and Fri.
GLEN SUTTON	Mansonville	Wednesday.
IBERVILLE	St. Johns	Daily.
MARTINVILLE	Compton	Monday
PHILIPSBURG	Bedford	Mon. and Thur., 2 to 4

BRANCHES—Continued

ST. ARMAND STATION.	Bedford	Mon. and Thur., 10 to 12
ST CYRILLE DE WENDOVER.	Drummondville	Daily.
STANSTEAD	Rock Island	Daily.
THETFORD MINES WEST	Thetford Mines	Daily.

MARITIME PROVINCES—

ALBERTON, P.E.I.	W. C. LAWSON.	Manager
AMHERST, N.S.	L. F. CROSS	"
ANTIGONISH, N.S.	W. P. REYNOLDS	"
BARRINGTON, N.S.	W. D. MORTON	"
BASS RIVER, N.S.	G. L. WAUGH	"
BRIDGEWATER, N.S.	T. W. MAGEE	"
CAMPBELLTON, N.B.	R. H. NEILSON.	"
CHARLOTTETOWN, P.E.I.	C. LOMER MILES	"
DARTMOUTH, N.S.	A. T. CROFT	Act. Mgr.
DEVON, N.B.	E. W. SPURR	Manager
FREDERICTON, N.B.	W. T. GERALD.	"
GEORGETOWN, P.E.I.	A. G. MACGREGOR	Act. Mgr.
GLACE BAY, N.S.	L. J. PERRY	Manager
HALIFAX	G. G. LAIRD	"
Do. GOTTINGEN ST.....	D. G. KENNEDY	Asst. Mgr.
Do. QUINPOOL ROAD	W. A. RYAN	Act. Mgr.
Do. SOUTH BARRINGTON ST..	W. K. PHILLIPS	Manager
LA HAVE, N.S.	W. H. HARRISON	"
LUNENBURG, N.S.	E. B. TRUEMAN	"
MIDDLETON, N.S.	R. G. ADAMS	"
MONCTON, N.B.	C. N. ROOP.	"
Do. ST. GEORGE STREET	W. T. WHITE	"
MONTAGUE, P.E.I.	L. H. COFFIN	"
MORELL, P.E.I.	R. S. P. JARDINE	Act. Mgr.
MURRAY HARBOR, P.E.I.	F. C. BENNETT	"
NEW GLASGOW, N.S.	B. DE VEBER	Manager
PARRSBORO, N.S.	J. R. HARRISON	"
ST. JOHN, N.B.	W. H. LUGSDIN	"
SHELBURNE, N.S.	J. L. CLAXTON	"
SOURIS, P.E.I.	E. P. STAVERT	"
SPRINGHILL, N.S.	H. W. GRAHAM	"
STANLEY, N.B.	C. J. LOUGHLIN	"
SUMMERSIDE, P.E.I.	C. HENSLEY	"
SYDNEY, N.S.	J. H. MCQUAID	"
TRURO, N.S.	G. L. WAUGH	"
VERNON BRIDGE, P.E.I.	C. LOMER MILES	"
WINDSOR, N.S.	J. A. RUSSELL	"
YARMOUTH, N.S.	R. M. WATSON	"

SUB-AGENCIES

	Sub-Agency to	Open for business
HANTSPORT, N.S.	Windsor	Mon., Wed. and Fri.
KINGSTON, N.S.	Middleton	Mon., Wed. and Fri.
PORT GREVILLE, N.S.	Parrsboro	Tues. and Fri.
TRACADIE, N.S.	Antigonish	Tues. and Fri.

BRANCHES—Continued

NEWFOUNDLAND—

BELLEORAM	E. HOLMES	Act. Mgr.
BURIN	H. McEwen	"
GRAND BANK	P. H. HAMON	Manager
HARBOUR BRETON	B. GODDEN	Act. Mgr.
ST. JOHN'S	H. M. STEWART	Manager

ST. PIERRE ET MIQUELON—

ST. PIERRE	W. J. CHURCH	Act. Mgr.
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UNITED STATES—

NEW YORK, N.Y.	{ F. B. FRANCIS C. L. FOSTER C. J. STEPHENSON }	Agents
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO, CAL.	{ G. W. B. HEATHCOTE W. J. COULTHARD }	Asst. Mgr.
SEATTLE, WASH.	E. B. IRELAND	Manager

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C. 3

C. CAMBIE	Manager
A. R. PHIPPS	Asst. Mgr.

MEXICO—

MEXICO CITY, Avenida San Francisco No. 50

T. S. LEITCH	Manager
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THE CANADIAN BANK OF COMMERCE

(For the convenience of Shareholders on the London Register, the Profit and Loss Account, and the Balance Sheet are here given in Sterling, at the par of Exchange).

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 29TH NOVEMBER, 1919.

Balance at credit of Profit and Loss Account brought forward from last year.....	£296,885	9	7
Net profits for the year ending 29th November, after providing for all bad and doubtful debts.....	631,827	5	6
	<u>£928,712</u>	<u>15</u>	<u>1</u>

This has been appropriated as follows:

Dividends Nos. 128, 129, 130 and 131, at twelve per cent. per annum.....	£369,863	0	3
War tax on bank-note circulation to 29th November	30,821	18	4
Written off Bank Premises.....	51,369	17	3
Transferred to Pension Fund.....	24,657	10	8
To adjust British and Foreign investments on existing exchange rates, not otherwise provided.....	154,109	11	10
Subscriptions:			
Salvation Army.....	£1,027	8	0
University of Toronto Memorial Fund.....	513	14	0
Soldiers' Emergency Fund, Repatriation Campaign.....	2,054	15	11
Navy League of Canada.....	513	14	0
Sundry subscriptions.....	410	19	2
		<u>4,520</u>	<u>11</u>
Balance carried forward.....	293,370	5	8
	<u>£928,712</u>	<u>15</u>	<u>1</u>

GENERAL STATEMENT

29TH NOVEMBER, 1919

LIABILITIES

Notes of the Bank in circulation.....	£	6,174,176	12	11	
Deposits not bearing interest... £31,168,866		2	2		
Deposits bearing interest, including interest accrued to date... 49,708,905	13	7	80,877,771	15	9
Balances due to other Banks in Canada.....		15,373	3	3	
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....		1,793,262	0	2	
Bills Payable.....		90,653	12	7	
Acceptances under Letters of Credit.....		3,054,749	4	4	
		£92,005,986	9	0	
Dividends Unpaid.....		822	10	1	
Dividend No. 131, payable 1st December.....		92,465	15	1	
Capital Paid up..... £3,082,191	15	8			
Rest Account.....	3,082,191	15	8		
Balance of Profits as per Profit and Loss Account.....	293,370	5	8	6,457,753	17 0
				£98,557,028	11 2

ASSETS

Gold and Silver Coin Current on hand.....	£3,169,572	10	5		
Gold deposited in Central Gold Reserves.....	1,335,616	8	9		
Dominion Notes on hand.....	6,459,523	16	4		
Dominion Notes deposited in Central Gold Reserves.....	2,054,794	10	5		
				£13,019,507	5 11
Notes of other Banks..... £	499,974	17	3		
Cheques on other Banks.....	2,953,321	5	6		
Balances due by other Banks in Canada.....	97	18	8		
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	2,175,902	5	0		
				5,629,296	6 5
Dominion and Provincial Government Securities, not exceeding market value.....				9,629,872	8 8
British, Foreign and Colonial Public Securities and Canadian Municipal Securities, not exceeding market value.....				6,133,055	11 10
Carried forward.....	£34,411,731	12	10		

GENERAL STATEMENT

29TH NOVEMBER, 1919

ASSETS—Continued

Brought forward.....	£34,411,731	12	10
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	1,223,381	16	0
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks.....	4,263,868	15	6
Call and Short Loans (not exceeding 30 days) else- where than in Canada.....	5,107,168	6	1
Deposit with the Minister of Finance for the purposes of the Circulation Fund.....	181,190	2	0
	£45,187,340	12	5
Other Current Loans and Discounts in Canada (less rebate of interest).....	43,805,993	18	11
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	5,124,302	0	7
Liabilities of Customers under Letters of Credit, as per contra.....	3,054,749	4	4
Overdue Debts (estimated loss provided for).....	28,175	8	8
Real Estate other than Bank Premises.....	96,092	11	9
Mortgages on Real Estate sold by the Bank.....	41,790	13	0
Bank Premises at cost, less amounts written off...	1,203,905	16	0
Other Assets not included in the foregoing.....	14,678	5	6
	£98,557,028	11	2

B. E. WALKER, President

JOHN AIRD, General Manager

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE

In accordance with the provisions of subsections 19 and 20 of section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash, and verified the securities representing the investments of the Bank, at its chief office and principal branches at a date other than, and in addition to, the verification at 29th November, 1919, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.
of George A. Touche & Co.

JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

AUDITORS

GENERAL STATEMENT

29TH NOVEMBER, 1919

LIABILITIES

Notes of the Bank in circulation.....	\$ 30,047,659 68
Deposits not bearing interest.....	\$151,688,481 72
Deposits bearing interest, including interest accrued to date.....	241,916,674 29
	393,605,156 01
Balances due to other Banks in Canada.....	74,816 06
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	8,727,208 45
Bills Payable.....	441,180 99
Acceptances under Letters of Credit.....	14,866,446 19
	\$447,762,467 38
Dividends Unpaid.....	4,002 86
Dividend No. 131, payable 1st December.....	450,000 00
Capital Paid up.....	\$ 15,000,000 00
Rest Account.....	15,000,000 00
Balance of Profits as per Profit and Loss Account.....	1,427,735 40
	31,427,735 40
	<u>\$479,644,205 64</u>

ASSETS

Gold and Silver Coin Current on hand.....	\$15,425,252 93
Gold deposited in Central Gold Reserves.....	6,500,000 00
Dominion Notes on hand.....	31,436,349 25
Dominion Notes deposited in Central Gold Reserves.....	10,000,000 00
	\$ 63,361,602 18
Notes of other Banks.....	\$ 2,433,211 00
Cheques on other Banks.....	14,372,830 21
Balances due by other Banks in Canada	476 59
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	\$10,589,390 95
	27,395,908 75
Dominion and Provincial Government Securities, not exceeding market value.....	46,865,379 16
British, Foreign and Colonial Public Securities and Canadian Municipal Securities, not exceeding market value.....	29,847,537 20
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	5,953,791 41
Carried forward.....	\$173,424,218 70

GENERAL STATEMENT

29TH NOVEMBER, 1919

ASSETS—Continued

Brought forward.....	\$173,424,218 70
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks.....	20,750,828 04 -
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada.....	24,854,885 75 -
Deposit with the Minister of Finance for the purposes of the Circulation Fund.....	881,791 81
	<u>\$219,911,724 30</u>
Other Current Loans and Discounts in Canada (less rebate of interest).....	213,189,170 54 -
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	24,938,269 89 -
Liabilities of Customers under Letters of Credit, as per contra.....	14,866,446 19
Overdue Debts (estimated loss provided for).....	137,120 45 -
Real Estate other than Bank Premises.....	467,650 60
Mortgages on Real Estate sold by the Bank.....	203,381 18
Bank Premises at cost, less amounts written off.....	5,859,008 22
Other Assets not included in the foregoing.....	71,434 27
	<u><u>\$479,644,205 64</u></u>

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE

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We have checked the cash, and verified the securities representing the investments of the Bank, at its chief office and principal branches at a date other than, and in addition to, the verification at 29th November, 1919, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.
of George A. Touche & Co.

JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

} AUDITORS

BANKERS AND CHIEF CORRESPONDENTS

GREAT BRITAIN—

Bank of England; Bank of Scotland; Barclays Bank, Ltd.; Lloyds Bank Limited; National Provincial and Union Bank of England, Ltd.; Manchester & Liverpool District Banking Company, Ltd.; Manchester & County Bank, Ltd.; Union Bank of Manchester, Ltd.; North of Scotland & Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.

IRELAND—

Belfast Banking Company, Ltd.; Hibernian Bank, Ltd.; Northern Banking Company, Ltd.; Provincial Bank of Ireland, Ltd.

DENMARK—

Den Danske Landmandsbank, Copenhagen.

FRANCE—

Cox & Company (France), Ltd.; Crédit Lyonnais, Paris; Lazard Frères & Cie., Paris; Société Générale, Paris; Lloyds and National Provincial Foreign Bank, Ltd., Paris.

HOLLAND—

Disconto-Maatschappij, Rotterdam; Twentsche Bank, Ltd.

ITALY—

Banca Commerciale Italiana, Naples; Credito Italiano, Milan.

NORWAY—

Centralbanken for Norge, Christiania; Bergens Privatbank, Bergen.

SWEDEN—

Skandinaviska Kreditaktiebolaget, Stockholm.

SWITZERLAND—

Banque Fédérale, Zurich; Crédit Suisse, Zurich; Swiss Bank Corporation, Zurich.

WEST INDIES—

Colonial Bank and branches; National Bank of Cuba, Havana, and branches.

BERMUDA—

Bank of Bermuda, Ltd., Hamilton.

SOUTH AMERICA—

Anglo-South American Bank, Ltd.; British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; London & River Plate Bank, Ltd.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Bank of China; Chartered Bank of India, Australia and China; Hongkong & Shanghai Banking Corporation; National Bank of India, Ltd.; Yokohama Specie Bank, Ltd.

SOUTH AFRICA—

African Banking Corporation, Ltd.; National Bank of South Africa, Ltd.; Standard Bank of South Africa, Ltd.

AUSTRALIA AND NEW ZEALAND—

Australian Bank of Commerce, Ltd.; Bank of Australasia; Bank of New Zealand; Commercial Banking Company of Sydney, Ltd.; Commonwealth Bank of Australia; English, Scottish & Australian Bank, Ltd.; London Bank of Australia, Ltd.; National Bank of Australasia, Ltd.; National Bank of New Zealand, Ltd.; Royal Bank of Australia, Ltd.; Union Bank of Australia, Ltd.

HONOLULU—

Bank of Bishop & Co., Limited; First National Bank of Hawaii.

FIJI—

Bank of New Zealand.

UNITED STATES—

NEW YORK—American Exchange National Bank; Chase National Bank; Irving National Bank; Corn Exchange Bank; National City Bank; Mechanics & Metals National Bank; Chatham and Phenix National Bank; Liberty National Bank.

CHICAGO—First National Bank; Northern Trust Company; National Bank of the Republic; National City Bank; Union Trust Co.

ALBANY—New York State National Bank.

BALTIMORE—Citizens National Bank.

BOSTON—Second National Bank; National Shawmut Bank; First National Bank; International Trust Company.

BUFFALO—Manufacturers & Traders National Bank; Citizens Commercial Trust Company.

CLEVELAND—First National Bank.

DETROIT—First & Old Detroit National Bank.

INDIANAPOLIS—Fletcher American National Bank.

MILWAUKEE—First Wisconsin National Bank.

MINNEAPOLIS—First & Security National Bank; Midland National Bank; Northwestern National Bank.

NEW ORLEANS—Canal-Commercial National Bank.

PHILADELPHIA—Girard National Bank.

PITTSBURG—Mellon National Bank.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 13TH JANUARY, 1920

The fifty-third Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 13th January, 1920, at 12 o'clock.

Among those present were:

A. J. Glazebrook, R. C. Jennings, E. M. Saunders, James Harris, M. Sparkhall, W. J. Evans, J. S. McLean, A. E. Ames, J. F. Michie, W. N. West, Dr. J. M. Clark, K.C., J. H. Carrique, G. H. Muirhead, J. Western, E. Roach, W. A. M. Jones, P. D. Walty, J. T. Parker, A. E. Ferrie, A. B. Fisher, J. E. L. Pangman, A. F. Park, J. F. McKay, R. G. O. Thompson, Sir Robert Falconer, K.C.M.G., Sir Thomas White, K.C.M.G., R. Laidlaw, G. A. Morrow, Thomas Gilmour, William Davidson, K.C., H. D. Scully, Rev. J. B. Saer, William Craig, E. R. Wood, J. K. Niven, James E. Baillie, A. Nordheimer, Col. Vincent Massey, A. J. Helliwell, William Davies, R. H. Merry, E. Hay,

H. C. Cox, J. N. Shenstone, Graham Campbell, William Crocker, T. A. Russell, R. G. Smith, Geo. D. Perry, Victor Ross, C. A. Bogert, F. H. Gooch, Ewart B. Walker, Fred. Roper, G. Frank Beer, Walter Gow, A. M. Ivey, C. B. Powell, Robt. Inglis, R. H. Elliott, E. B. Thompson, W. E. Rundle, C. N. Candee, H. Vigeon; R. Gill, Ottawa; P. C. Stevenson, Ottawa; L. D. Lilly, Niagara Falls Centre; D. B. Dewar, Hamilton; R. W. Conolly, St. Catharines; H. M. Fitton, Brantford; Hon. W. C. Edwards, Ottawa; C. M. Gipton, Niagara-on-the-Lake; H. G. Kirwin, Beebe; O. F. Anderson, Blenheim; F. A. Chapman, London, Ont; R. Y. Buglass, Brighton; C. J. Stephenson, New York; L. G. Crozier, Walkerton; J. G. Mills, Strathroy; W. J. F. Ross, Forest; A. G. C. DuBoulay, Sherbrooke; H. C. Strange, Parry Sound; E. L. S. Patterson, Sherbrooke; J. P. Taillon, Timmins; F. A. Johnston, Ayer's Cliff; F. M. Gibson, Kingston; J. S. Mitchell, Sherbrooke; Hon. Geo. G. Foster, K.C., Montreal; W. McAdie, Oshawa; R. T. Mussen, Stratford; J. R. Wandless, London, Eng.; W. C. J. King, Simcoe; James A. Richardson, Kingston; C. M. Stork, Belleville; J. R. Boivin, St. Gabriel, A. C. Turner, Dresden; Thos. Stapleton, Oshawa; J. McE. Murray, Collingwood; H. B. Walker, Montreal; D. H. Parmelee, East Angus; N. A. Slack, Ormstown; K. R. Turner, Mansonville; W. P. Rapley, Sherbrooke; W. C. Lawson, Alberton; D. Macgillivray, Halifax; E. P. Stavert, Souris; E. G. Ogilvie, Yellowgrass; R. M. Watson, Yarmouth; H. J. Fuller, New York; J. L. Claxton, Shelburne; W. E. Miller, Chicago; W. J. Church, St. Pierre; F. P. Jones, Montreal; M. St. C. McLean, Nokomis; W. T. White, Moncton; G. A. Burton, Vernon; F. L. Rhodes, Pincher Creek; W. Bullock, Hawarden; R. B. Buchanan, Strathcona; S. H. Curran, Biggar; G. E. Ewing, Fort William; A. Hamilton, Kamsack; J. I. E. Corbet, Vernon; A. H. Marcon, Watrous; H. R. Beaven, Victoria;

C. B. Narraway, Melville; A. H. Miller, Broderick;
F. A. Stuart, Delisle; W. H. Mathewson, Mission City;
R. W. Winfield, Semans; R. N. Shaw, Wetaskiwin;
C. H. Morse, Chicago; R. J. Magor, Hamilton;
Robert Stuart, Chicago; A. Kingman, Montreal;
G. E. Clarke, Ponoka; C. F. A. Gregory, Winnipeg;
R. H. Brotherhood, Elkhorn; C. J. Kydd, Champion;
F. W. West, Granum; A. W. Chambers, Grandview;
Wm. Alexander, Winnipeg; C. Gordon, Winnipeg;
J. B. Corbet, Winnipeg; H. Baillie, Vancouver;
F. L. Crawford, Vancouver; J. A. Forster, Kelowna;
K. V. Munro, Chilliwack; H. Haines, Vancouver;
A. C. Steven, Vancouver; H. C. B. Lucas, Princeton;
L. Cuthbert, Gleichen.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. A. J. Glazebrook and J. E. L. Pangman were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors have pleasure in presenting to the shareholders the fifty-third Annual Report for the twelve months ending 29th November, 1919, to which the usual statement of Assets and Liabilities of the Bank is appended:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 1,444,842 68
The net profits for the year ending 29th November, after providing for all bad and doubtful debts, were.....	3,074,892 72
	\$ 4,519,735 40

This has been appropriated as follows:

Dividends Nos. 128, 129, 130 and 131, at twelve per cent. per annum.....	\$ 1,800,000 00
War tax on bank-note circulation to 29th November.....	150,000 00
Written off Bank Premises.....	250,000 00
Transferred to Pension Fund.....	120,000 00
To adjust British and Foreign investments on existing exchange rates, not otherwise provided.....	750,000 00
Subscriptions:	
Salvation Army.....	\$ 5,000 00
University of Toronto Memorial Fund.....	2,500 00
Soldiers' Emergency Fund, Repatriation Campaign....	10,000 00
Navy League of Canada.....	2,500 00
Sundry subscriptions.....	2,000 00
	22,000 00
Balance carried forward.....	1,427,735 40
	\$ 4,519,735 40

All the assets of the Bank have been carefully revalued in accordance with our usual practice, and full provision has been made for any bad or doubtful items.

A large number of new branches have been opened during the year, and the total number of offices of the Bank at the date of this Report is 508, of which 33 are sub-agencies. Since the end of the war there has been considerable activity on the part of all the Canadian banks, in opening new branches, as during the conflict all action of this character was deferred. Our policy has been as far as possible influenced by two considerations—the providing of banking facilities in new places where such seem to be required, and the protection of business we already have in growing localities.

Your Directors have to report subscriptions of \$10,000 to the Soldiers' Emergency Fund, Repatriation Campaign, \$5,000 to the Salvation Army, and \$2,500 each to the Navy League of Canada and the University of Toronto Memorial Fund, besides \$2,000 in smaller sums for patriotic purposes.

In November last, in pursuance of the power vested in your Directors by By-law No. 1 enacted at the last annual meeting, they passed a resolution increasing the number of the Board to twenty-three, and elected the Right Hon. Sir Thomas White, K.C.M.G., formerly Canadian Minister of Finance, to fill the additional seat thus created.

The auditors appointed by you under the provisions of Section 56 of the Bank Act have made the audit required of them by law, and their report is appended to the statement of assets and liabilities submitted to you to-day. In addition the usual inspection of all the offices of the Bank, including the departments of the Head Office, has been made by the officers of our own Inspection Department.

Your Directors again desire to express their appreciation of the services rendered by the officers of the Bank.

JOHN AIRD,
General Manager.

B. E. WALKER,
President.

TORONTO, 2nd January, 1920.

Before moving the adoption of this Report, the President requested the General Manager to address the meeting.

GENERAL MANAGER'S ADDRESS

Contrary to the view expressed last year, that it was unlikely that we should again shew such large figures for some years to come, the unexpected has happened, and we have made a new record in both profits and total assets. Undoubtedly the continued high level of prices for commodities of all kinds has left its mark upon the balance sheets of financial institutions, and while this condition continues it will be reflected in the figures of our own annual statement.

The net profits have amounted to \$3,074,000, after a most careful provision for all the doubtful items among the Bank's assets. These earnings exceed those of last year by \$224,000, a satisfactory increase of 7.9 per cent., but which compares with an increase of 8.9 per cent. in assets. The figures show that the forces which have been steadily reducing the rate of earnings on the services performed by Canadian banks for the public, to which I referred last year, are still actively at work, and it is fervently to be hoped that the keen spirit of competition, so strenuously active in many directions, will not blind Canadian bankers to this tendency of the times. When it

is considered that the three million odd dollars that we show as our net profits represent the combined earnings of over 500 offices, and the result of the efforts of a staff of over 4,000 employees, it will be more clearly recognized how meagre is the showing in comparison with the vast amount of hard labour and heavy responsibility involved.

We have paid during the year four quarterly dividends of 3 per cent., or 12 per cent. in all, and now that the war is over and we find it necessary to take up our building programme again, we have resumed our former practice and have written the sum of \$250,000 off Bank Premises Account. This is perhaps more necessary now than ever, owing to the extremely high cost of all building operations, which has naturally caused us to limit our programme to only the most necessary work. The release of large numbers of our men from military service, and their return into the service of the Bank, has rendered a large increase necessary in the Bank's contribution to the Pension Fund. This is caused by many of these returned men having, during their absence on military service, reached or passed the age of 25, at which the Bank's contribution to the Pension Fund on their behalf begins. When all arrangements are completed and the question of their back payments to the Fund is settled, a further large sum will no doubt be required to adjust the Bank's contribution for the period of their absence. It is our intention in the very near future to have the Fund again actuarially examined with a view to increasing the limit of the pensions awarded. We have also thought it wise, in view of the unsettled condition of the principal foreign exchanges, to set aside the sum of \$750,000 as an appropriation for the continuous decrease in the value of our funds and investments abroad. We could, of course, offset this shrinkage by writing up the value of our investments in the United States, but as to realize the increased value we should have to liquidate our business in that country, we have not

attempted to adopt such a shortsighted policy. We have also to consider that the exchange situation between Canada and the United States will right itself automatically when the European exchanges become more normal, and we think that the policy we have followed is one that should commend itself to every conservatively managed institution.

As usual we ask you to confirm the larger subscriptions we have been called on to make during the year, amounting to the sum of \$22,000, almost all on behalf of objects of a patriotic character connected with the war.

There has been a decrease in our note circulation for the first time since the commencement of the war. The decrease is only \$1,536,000, but if it is one of the first signs of a check to the inflation of prices, it is not unwelcome. The increase in deposits of \$40,446,000 is the striking item of our statement, and it has taken place almost entirely in the more stable item of deposits bearing interest. The decreases in balances due to foreign banks and in bills payable are almost offset by the increase in acceptances under letters of credit, and none of these changes possess any special significance, save only that the increase in the use of letters of credit indicates a revival of foreign trade as a result of the ending of the war.

On the assets side of the statement we show an increase of \$1,390,000 in cash on hand. The change is more than accounted for by the increase in Dominion notes held, there having been a slight decrease in our holdings of coin. Dominion notes in the Central Gold Reserves are \$1,000,000 lower, corresponding to the decrease in our note circulation. There is a decrease of about \$1,400,000 in the item of cheques on other banks, which may indicate a slight lessening in the activity of general business, but an increase in bank balances, which leaves the combined total of notes and cheques and bank balances \$1,133,000 greater than the figures of last year. There has been an increase in

our call and short loans in Canada and a decrease in those elsewhere, the combined effect of all these changes in assets being that our quick or easily realizable assets have increased by \$16,892,000, and stand at 49.11 per cent. of our liabilities to the public. Our holdings of Dominion and Provincial Government securities have increased \$10,700,000 during the year, largely represented by our share of advances to the Dominion Government which are being repaid out of the proceeds of the last Victory Loan. Current commercial loans, that is, those current loans not classified as "call and short loans," both in Canada and elsewhere, show considerable increases, amounting to \$20,837,000 in all, which may be considered as another welcome indication of reviving commercial activity. We have disposed of the Eastern Townships Bank building in Montreal during the year, and this accounts for the reduction in Real Estate other than Bank Premises. The increase in Bank Premises Account is due principally to the acquirement of sites for a number of our newer branches, in pursuance of our general policy in this respect. The total of our assets has grown during the year by \$39,333,000, or 8.9 per cent., which under the circumstances we consider satisfactory.

Throughout the war the Canadian banks abstained, by common consent, from the opening of new branches. Not only was this justified by the uncertainty of the outlook, but the drain upon the manhood of the country for military service was so great that it was only with difficulty that those members of our staff who were left behind were able to cope with the work thrust upon them, even with the assistance of the temporary staff. Accordingly, while the conflict lasted, we could do no more than to keep a record of those places which seemed to offer a promising field, with a view to occupying them when the general situation justified such a step. The programme thus laid down has fully employed our energies during the

past year, but is fairly well completed, and now that we have occupied most of the promising new fields in Canada that have been brought to our attention, and have protected our business at those points where such action seemed necessary, we purpose turning our attention to foreign fields. In the meantime the new branches we have opened are, most of them, progressing satisfactorily, and although the initial expenses connected with them are heavy, we look to see them become before long a source of strength and profit.

Some years ago, the year after the outbreak of the war, we took occasion to refer to the subject of taxes paid by the Bank and advised you that the total was about \$650,000. It will no doubt be of interest to you to know that the sum taken out of the profits of the Bank during the past year, and applied to the payment of taxes, was nearly double that amount, or over \$1,200,000. We have thought it well to speak thus frankly because the opinion seems to be more or less widely held that banks do not bear their fair share of the burdens of general taxation.

Out of the total of 1704 officers of this Bank who volunteered for the defence of the Empire, either in the army or navy, we have reinstated during the course of the year 996, and have still to hear from 253 of them. We have been glad to welcome these officers back to our service, and will do all in our power to assist them to become re-established in civil life. It is our hope that in the course of a reasonably short time they will find themselves at no disadvantage as a result of the loss in banking experience which naturally resulted from their absence. The opening of new branches and the expansion of our business have made it possible to take on the staff again all those who apply for reinstatement.

An unlooked for consequence of the war has been the unsettlement of the relations between employer and employed in every walk of life. One of the primary causes of

this has been the extraordinary increase in the cost of living, but any one who is forced to grapple with the problems before the employer knows that this can be the cause of only a small part of his difficulties. The deeper and more complex part of them, no doubt, had their origin in that phase of the war, when it took on the aspect of a life and death struggle between the opposing forces. For a time everything had to be subordinated to the turning out of men, munitions and material for use in the war. The Government became, practically, almost the sole employer, the erst-while employer acting as its manager or agent to secure the necessary production. Under these conditions the usual balance-weights and counterpoises of business enterprise were lacking. To secure the necessary production was the only thing that mattered; the cost of doing so was a secondary consideration, and any demands made by employees were granted almost before they were asked. Thus new conditions arose, some shewing marked improvement over those existing before the war, but others such as are foredoomed to failure if put into practice under the usual conditions of peace. It is, perhaps, too much to ask of either employees or employers that they should at once grasp with a clear mental vision all the far-reaching consequences of these changes. Suffice it to say that the adjustments necessary now that business conditions have become more normal are many and difficult, and involve to the utmost a spirit of fairness and a willingness to compromise opposing points of view on both sides. Speaking for our own staff, both permanent and temporary, they have rendered us loyal service in difficult days, and we have sought to give generous and sympathetic consideration to the difficulties which have been particularly their lot, as salaried men and women, during an extraordinary rise in the cost of living.

In November last the Canadian Government issued its sixth War Loan, the money being required for purposes

connected with the transition from war to peace. The Minister of Finance, Sir Henry Drayton, again asked for a minimum of \$300,000,000, and the total subscriptions received were \$676,242,790, almost as much as subscribed to the previous loan. The Minister of Finance, and the country itself, are to be congratulated most heartily upon this new demonstration of the financial strength of Canada. There was a large reduction in the number of subscribers, the total number being 789,532, as compared with 1,140,057 in the case of the 1918 loan, so that the average amount subscribed was considerably larger, being \$857, as against \$610. It is interesting to note, as showing the popularity of the Victory Loans among small subscribers, that in the case of the 1917 loan \$100,300,000, and in the case of the 1918 loan \$104,500,000, was issued in \$50 and \$100 bonds. The corresponding figures for the 1919 loan are not yet available, and owing to the reduction in the number of subscribers the total will probably not be so great, but it is evident that about \$300,000,000 of the last three loans has been obtained in this way.

When addressing you last year I ventured to express the opinion that the Government could afford to grant a small bounty on the production of the gold mines in Canada, with a view to increasing the available supply of the precious metal. This opinion has met with disapproval in some quarters, but I still think that the Government should do something in the matter, perhaps not so much by way of offering a bounty on the gold itself, as to encourage the exploration and development of what are supposed to be gold-bearing areas. Were the same course to be followed in the case of silver, it is possible that the discovery of new fields and the opening of new mines might exercise a very beneficial steadying effect on the price of that metal. The extension of the output of the present mines is, of course, encouraged by the material enhancement in price which has taken place. According to figures made public some

time ago, the price per ounce rose during last year from an average of \$1.01.12 during the first four months to \$1.27.92 in November.

The condition of the foreign exchanges is one of the problems with which we have had to deal during the past year, and it is one in which the people of Canada are deeply concerned, as it has a very direct effect upon their economic life. Canada is not alone in suffering from the effects of a depreciated exchange, in fact, it is a condition now familiar to almost every country in the world. The artificial expedients which have been resorted to in order to correct the situation, such as the shipping of gold, the sale of securities and an attempt at fixing exchange rates, are inadequate and may even prove dangerous. The rehabilitation of our dollar can only be accomplished by saving, economy and greater production. It has perhaps become fairly generally known among those who take an interest in the matter that our imports from the United States greatly exceed our exports to that country, and that in the case of Great Britain the reverse is true, our exports greatly exceeding our imports. Therefore in the case of our trade with the United States there is a scarcity of bills receivable which we can set off against our bills payable to that country; while in the case of our trade with Great Britain the reverse is true, and the bills receivable exceed the bills payable to such an extent that she has been forced to obtain credit from us for many of her purchases of food-stuffs produced in Canada. There is much more, however, in the situation than this. We have been selling on credit to France, Belgium, Greece, Roumania, and to some extent to Great Britain, manufactured goods, the raw materials of which are largely imported from the United States, and we are called upon to pay for these raw materials in cash. In addition to this, the interest payments on our debt abroad have increased, as well as the

heavy shipping charges which have to be paid on waterborne goods. In paying for the raw materials referred to we are forced to use up a large part of those funds ordinarily available to defray the cost of our normal imports from the United States. The scarcity of United States funds has thus been accentuated by the increased demand, while the source from which we have been wont in the past to make up any deficiencies, that is, the balance due to us by merchants and others in Great Britain, is not now available for this purpose for two reasons; first, that Great Britain is not settling in cash as in the past; second, that such part of this indebtedness as might be made available for the purpose is not now acceptable to the United States as payment, because that country has already a surplus of British debts which she is anxious to realize. If to these factors in the problem be added the effect of increased purchases of luxuries imported from the United States in the present era of free and easy spending, an idea will be obtained of at least some of the main reasons for the present situation.

It should not be forgotten in any discussion of the position of the foreign exchanges as affecting Canada, that so far as imports to this country are concerned the position of the British and Continental exchanges is just as favourable as United States exchange is unfavourable. The difficulty in this case is one of supply. Judging by recent accounts, however, Great Britain is bending all her energies, in spite of labour troubles and other adverse circumstances, to resuming her place as an exporting nation, and now that the difficulty of securing vessel space is decreasing, we shall hope to see a decided increase, in the near future, in imports from the mother country of those goods of which we stand in need, and which cannot be produced at home.

On the other hand in our relations with the United States we should aim to decrease our imports, especially

of those articles which are merely luxuries, or which can be produced equally well at home. The position of exchange at this moment is a lesson that our dollars can be more advantageously expended for a home-made article than for one manufactured in the United States, and it is to be hoped that this practical lesson will not be lost upon our people. Its influence should be strengthened by merchants and importers discontinuing to import for consumption in Canada such unnecessary articles as we have referred to.

To sum up, then, there is no royal road to the rectification of the foreign exchanges. Hard work and self denial, such as will increase our income as a nation, and decrease our expenditure, are the only sovereign remedies for the disease. Harder work and greater diligence are needed to increase production, and self denial implies the cessation of purchases of imported articles which are only luxuries or can be produced at home. We doubt, however, whether ought save stern necessity can enforce these conditions upon our people.

The President then spoke as follows:

PRESIDENT'S ADDRESS

We have passed through a year in which the daily surprises have been as perplexing as during the war, and in which the anxieties have been as great, except that sometimes they affected rather the mere happiness of the world than human life itself. War, however, still continues in many countries, and there and elsewhere many have died from lack of food. The war has been won by the most superb co-operation in the attainment of one ideal—the winning of the war. We may lose all that victory seemed to secure by indulgence in countless theories, many of them aiming at the disintegration of society, instead of again co-operating in one ideal—the restoration of order and the improvement of social conditions, so that the happiness of the greatest number may be secured. It is not by standing

idle while we discuss methods that we can get out of our present troubles. If the call is to "man the life boat" we do not wait for academic discussion before the boat is launched on its life-saving mission, and too much argument between capital and labour, just now, is madness in view of what we seek to save. The rising curve of prices cannot be made to turn downward without an increase of production, nor can we face the heavy obligations left by the war except by greatly increasing production. The man who does not do his best at his particular job is not merely helping to barricade the only pathway that will lead us out of our troubles, but he is helping to raise, or to maintain, the cost of the necessities of life for his own family. I may be called a friend of capital for saying this, but I am on record elsewhere as an advocate of many changes in the present relations of the employee and employer, all of them in favour of the employee.

While we and the rest of the world are failing to produce on a sufficient scale to provide for human comfort and to pay our debts, the price of everything has so increased, that although all clearing-house and trade returns show higher figures in money, these generally represent transactions based on smaller quantities of merchandise, and because we think in terms of dollars and not of merchandise, we are living in a fool's paradise. The imperious demands of war rapidly raised all prices, and payment was only possible by inflating the currency; unfortunately inflated currency sustains and further increases prices. If with our own currency we bought only goods made in our own country, the minimum of harm would be done, but possessing more currency and fewer commodities than usual, we are acting like the drunken sailor newly come ashore, and buying everything that fancy suggests, whether necessary or not, without regard to whether it is made in Canada or abroad. For every purchase of goods made abroad, whether in Great Britain or China, or anywhere else, we settle through New

York, and the rise or fall of the rate of exchange, about which we are so much concerned, is the expression of our failure, or the reverse, to pay cash or its equivalent. In this connection the speaker has for many years, at these annual meetings, presented the facts of our foreign trade, the peculiarities of our relations with the United States, the sales of our securities abroad to pay for the excess of our imports and the danger of mortgaging the future of our country, and has given frequent warnings as to the character of many of our imports.

The excess of our exports over imports for the year ending 31st March was \$343,491,000, as compared with \$623,647,000 for the previous year. Although so much smaller than for 1918, the excess was larger than in any previous year. The difference of \$280,156,000 is more than accounted for by a falling off of \$320,874,000 in our exports to Great Britain, and this again is due to a decrease of \$297,893,000 in exports of agricultural products and of \$87,318,000 in manufactured articles. For the six months ending in September the exports for the two half years are almost equal, while the imports were \$33,571,000 less. It is gratifying to notice that, apart from the decrease in agricultural production, our figures have not been much altered by the cessation of the manufacture of munitions. Food is in greater demand than ever and our factories are behind in the production of almost every line of manufacture, while nearly every form of raw material is difficult to obtain. Our total foreign trade for the fiscal year was \$2,176,378,000, as compared with \$2,548,691,000 in 1918.

It is clear that, if our foreign trade were on a cash basis, we could pay the interest on our foreign debt and settle for our excess purchases from the United States without difficulty, but Europe cannot pay just now, and we must therefore limit our purchases from the United States wherever that is possible. Doubtless the markets for our

securities in the United States will gradually widen, and it will become easier to adjust our accounts, but this will be a poor remedy. We cannot afford to increase our debts to foreign investors in view of the taxation we shall, in future, have to bear.

Let us consider a few items in our imports which at least suggest great possibilities of curtailment, if we are prepared to restrict our pleasures for the common good. Under the head of apparel we bought abroad to the extent of \$8,500,000, including headgear alone for over \$5,000,000; under fancy goods, \$4,000,000; fruits and nuts, \$25,000,000; furs, \$4,500,000; gramophones, over \$2,000,000; silk in various forms, \$21,000,000; tobacco, nearly \$12,000,000; in all, \$77,000,000, mostly luxuries. Then we are yearly face to face with enormous imports of material, part of our requirements of which we already produce, or which it would be natural for us to produce. It is obvious that our national finances would benefit if we could either produce the following items ourselves, or avoid in any way their importation; bricks, clays and tiles, over \$4,000,000; coal, coke and charcoal, \$79,000,000; breadstuffs, \$26,000,000; all foodstuffs, \$121,000,000—much of this is doubtless absolutely necessary, but surely there is room for a large reduction; iron and steel in all forms, \$161,000,000, including machinery \$45,000,000; textiles in all forms, \$168,000,000; motors, railway cars and other vehicles, \$18,000,000. We have repeatedly drawn attention to items of this character in past years but, we fear, without much effect. At present, however, the people of Canada are feeling rather keenly the result of their indifference to their own affairs, and it seems worth while to press these facts once more on their attention. There is one comforting feature about our trade with the United States. While in 1913 we bought \$2.70, last year we bought only about \$1.50 of goods for every dollar's worth bought by the United States from Canada. While our purchases have increased

in value by 65 per cent, theirs have increased by 180 per cent. Comparing the totals, the imports for 1919 are less by \$46,000,000 than in 1918, but as in the item referred to in past years, military stores, there is a decline of \$80,000,000 and another decline of \$17,000,000 in pork, both due to the cessation of the war, the imports for ordinary purposes are much larger than ever before. The most notable increases are in traction engines, mainly for farming, about \$10,000,000, and in raw cotton about \$13,000,000.

There are many handsome increases in exports to counterbalance increased imports, but the outstanding feature is the enormous decrease of \$295,000,000 in the value of exports of grain, of which \$270,000,000 is due to a decrease in exports of wheat. There is a reduction in quantity of 150,000,000 bushels, from 215,000,000 bushels of all grains in 1918, to about 65,000,000 bushels in the year ending March, 1919. In the item, "cartridges—gun, rifle and pistol," which has figured so largely in our exports during the war, there is a decline of \$139,098,000. There is also a decline of \$12,000,000 in exports of flax seed. Against the decline in imports of pork there is a corresponding one in exports of bacon, but there is an increase of about \$28,000,000 in exports of meats and butter. There is an increase of \$14,000,000 in the item of ships sold to other countries. In our imports the totals of increases and decreases are not very far apart, but in exports we have the extraordinary condition of increases amounting to \$110,000,000 and decreases amounting to \$443,000,000. Had we been as fortunate in the quantity of merchandise we had to export in the fiscal year ending March, 1919, as we were in the previous year, our financial position would have been very different.

The preliminary estimate of the value of our field crops for the year 1919 is \$1,452,787,000, as compared with

\$1,367,909,000 in 1918, the actual figures for which fell slightly short of the estimate. There was a decline in the value of grain crops, but a large increase in fodder crops and potatoes. Except in swine there is a slight increase in the numbers of all live stock on our farms. It is difficult as yet to obtain accurate figures as to the production of our mines for the year just closed. We estimated that of 1918 at \$220,000,000, and the actual figures were \$211,301,000. For 1919 the best estimate we can obtain is \$167,000,000, showing a falling off of nearly \$45,000,000, which is almost entirely in metals. Because of the ending of the war we produced only about half the quantity of nickel produced in 1918; about the same quantity of lead and zinc, at lower prices; less copper, also at lower prices; and less silver, but at higher prices.

The statement of the public debt of the Dominion of Canada at the end of November shows a net total of \$1,817,839,000, and we are informed that at the end of the fiscal year, March 31st, it will be \$1,950,000,000. The estimated net amount due by Great Britain to the Dominion at the end of November is \$181,000,000. There is also due by the governments of four other countries about \$20,000,000. These assets are taken into account in stating our net debt. In addition to the debt due by Great Britain to the Government of Canada, there is a debt of \$200,000,000 due by Great Britain to the Canadian banks, on which, however, since the close of the year partial payments have been made. The war expenditure of our government has fallen from a million dollars daily to half a million, but we are still far from normal in this respect. The expenditure for pensions has now reached \$3,000,000 monthly.

The sales of Canadian securities for 1919 are much larger than in 1918, and there is an important difference in their distribution.

Security	Total Sold	In Canada	In United States	In Great Britain
Government...	\$781,812,000	\$629,562,000	\$152,250,000	.....
Municipal.....	27,166,393	18,333,893	8,832,500	.....
Railway.....	35,355,133	5,700,000	24,550,000	\$5,105,133
Public Service Corporation..	20,950,000	11,100,000	9,850,000	.....
Miscellaneous..	44,100,202	34,595,202	9,505,000	.....
Total 1919.....	\$909,383,728	\$699,291,095	\$204,987,500	\$5,105,133
	100%	76.89%	22.54%	.57%

There is an increase of about \$145,000,000 in the total, but the increase in the amount sold in the United States is over \$170,000,000. Had it not been for these sales the difficulties in connection with New York exchange would have been much greater.

The difficulties of reconstruction after the great war are even greater than we feared. The whole world is feeling the effect of four years in which the ordinary work and economics of life were not merely neglected, but the basis thereof was almost swept away. We are short of almost every commodity, the strongest evidence of this being the fact that millions of people in Europe face actual starvation. We cannot re-establish the normal supply of commodities except by working harder than usual, and we cannot lessen the terrible strain of high prices without doing the extra work which will put an end to the lack of commodities. We cannot adjust prices without also bringing about a contraction in the volume of paper money and other instruments of credit, and so far as it is possible to enforce contraction without interfering with the production of what is really necessary, the reduction of prices will be facilitated. In a word, bankers should not aid speculation, or assist ventures which do not directly lead to production. We are still building ships with feverish haste throughout the world, and we ought to be spending large sums on railroads in order that commodities may be freely

distributed. The present cost of ocean transportation, quite as much as the cost of goods at the primary markets, stands like a huge barrier across the pathway of return to normal conditions. What is worse, however, is that even present prices, in the natural order of things, will go on rising until the lack in the world's supply of commodities has been filled, and there has been a large contraction in the volume of paper money now in existence.

In the case of many classes of wage earners there has been an adjustment of pay against this increased cost of living, but there are many instances in which there has been either no adjustment or one quite inadequate. There are, however, some classes of earners who are so highly paid, in comparison with the past, that they have unusual spending power, and, along with all the others who have profited unduly by the war, they are spending their money in such a manner as to increase still further the troubles of the less well-off. Apart from this, after the gigantic struggle of the war, the world has slackened its energies and is filled with argument and unrest. All these elements move along an ascending spiral which clearly ends in ruin if we cannot arrest their course.

Prices will be higher than before the war for many years to come, but a readjustment to tolerable conditions is absolutely necessary if we are to enjoy the peace bought at such a cost. Governments must cease borrowing and keep their expenditures within their powers of taxation; both individuals and governments must spend less on things not absolutely necessary, and we must all work harder to produce the normal supply of all the commodities useful in life.

Canada, as I have already said, won its high place in the world's regard by superb co-operation in the one ideal of winning the war. Can we not compromise for the moment the differences between capital and labour, between

farmer and manufacturer, between the various interests that are risking our future for the sake of their own particular grievances, and co-operate in another ideal equally great, the restoration of peace and the return of prosperity on a better foundation? With this accomplished the separate ideals of the industrial divisions of our society can be discussed with far more chance of fair adjustment than is possible in these difficult times.

We know now roughly the cost of the war as represented by our public debt. This debt is held mostly at home but partly abroad. In addition, there were issues of securities made before and during the war by governments, municipalities and private companies, and sold abroad. On the whole of this debt, so held abroad, the annual charge is about \$190,000,000 per annum. Of this roughly about \$65,000,000 is due to holders of our securities in the United States, and about \$125,000,000 to holders in Great Britain and Europe. This debt we can pay only by an excess of exports over imports or by new borrowings. The debt at home is our own domestic affair. Certain citizens have advanced the cost of the war to the nation, and we now have to distribute this cost by taxation over all the citizens of Canada (except those who escape taxation), so as to meet the annual amortization payments. If the annual payments are obtained by reasonably fair taxation, so levied that the taxes do not become a cause of restraining our industries, we shall not fail to win through, but to accomplish this, much study of the subject is necessary. Many forms of taxation not yet in use in Canada will doubtless be employed, in addition to those now in force, but the whole question should be approached without that class feeling which often causes taxes to be so apportioned, that bitterness and a sense of injustice are felt by many who do not object to being heavily taxed so long as those who really can afford to pay their share do not escape. The income tax should be paid by a much larger number of

citizens. The tax on surplus profits needs much study: there is all the difference in the world, both in justice and in the interest of the community, between a large aggregate of profit made by a small margin on each transaction and a similar sum made by an unfairly large margin of profit on each transaction. The community may be deeply interested for its own advantage in securing the extension of the first kind of transaction, while no one is interested in the success of the other class except the taxpayer himself. The tax in the end must be borne by our industrial activities, and we are foolish if, in our eagerness to escape our own share, we make such burdens so heavy on others that many of these activities must cease, and commodities that under fair conditions might be produced at home are replaced by imports from abroad.

The usual review of business conditions presented at our annual meetings is of marked interest this year. The unemployment which it was feared a year ago would be widespread, even if only temporary, did not occur except in a few centres of industry. Industrial plants were quickly readjusted to peace time industries and orders for many kinds of commodities poured in beyond the capacity to fill them, not so much, however, beyond the capacity of the plants as beyond that of the men to work them; and, therefore, as we are not satisfying the demand, prices must go on rising. At the same time the demand for housing accommodation and for many other public and private building requirements is greater than the world has ever known before. Surely this all sounds like the prosperity we so often sigh for, and, indeed, to many it is a time of large profits or high wages, but the pendulum can swing only a certain distance in one direction or the other. There is not much satisfaction in a prosperity which can only be sustained by borrowing more money, nor can our comfort be unalloyed if production is insufficient to keep a large part of the world from starvation.

When the future historian, however, looks back at the events of the past year, he will not see an irresolute world failing to take the steps necessary to recover the road to happiness. He will applaud the efforts of society in Winnipeg, London, Boston and elsewhere, to defend itself against revolution; he will wonder at the activity in the shipyards of the world to supply the lack of transportation; he will see that capital and labour are not farther apart, but much nearer to reasonable solutions of their difficulties; he will, indeed, from his lengthened perspective, see that the chaos following the war is steadily yielding to that great quality of civilization on which the hope of the world rests, the love of order. We hear much about the decline in the exchange value of the pound sterling and more about Great Britain's loss of ascendancy in the world of finance, but if you will read the report of our London manager you will find no trace of doubt, no murmur of complaint. Great Britain has accomplished the most stupendous things in history; the world owes her more in respect and admiration than it can ever pay; but she asks nothing from others—she is simply clear-sighted and aware of her enormous obligations, and of what they involve. No one who reads his statement will find cause for pitying her, she is so strong and self-reliant; on the contrary, there is abundant cause for pride that we are part of the great empire which in the supreme emergency saved the world.

One feature of the British financial situation which adds to our difficulties is the sale here of Canadian securities hitherto held in Great Britain. So long as the sale in Canadian dollars will produce so much more than usual in pounds, this return of our securities will go on, and each sale has the same effect on our international finance as the importation of merchandise of the same value.

The report of our New York Agents is also worthy of careful study. The volume of business transactions in the

United States is so large that the effect of legislation or of any new condition in commerce is apt to be seen more clearly and more quickly than in smaller countries. The effect of price-fixing, and of taxes on excess profits, is clearly apparent in a lessening of production. Whatever may be the right way in which to punish the profiteer, these two methods act as boomerangs. In the end it is the consuming public that is punished. In the United States the enormous profits made by supplying the allies have led to a post-war expansion on a vast scale. The formation of new companies exceeds all previous records, and the inflation in stock-exchange prices has made many enormous fortunes, the buying power of which is the same as that of money made in any other manner, but the basis of which, so far as the country as a whole is concerned, may be an idle dream. In marked contrast to this power to sell securities at inflated prices, is the perilous position of United States railroad securities. Because railroads are prevented by what is really price-fixing from securing a freight rate adequate to the cost of administering them and of keeping them in proper repair, the whole transportation system of the United States is not merely imperilled, but is evidently facing ruin if an entirely different policy is not adopted. But at a time when foreign and home trade, and almost every business except that of the railroads, is experiencing an expansion never equalled in the past, it is hard to get a hearing for any complaint.

The business review of Newfoundland indicates unusual prosperity, larger markets, the building of ships with a view to increase the catch of fish, and better preparation of the product. In the Maritime Provinces there is general prosperity in all that depends on fishing and agriculture, but no increase in the output of coal, a great disappointment at this moment of scarcity. An even more disconcerting fact is that the cost of labour in the steel industry has gone beyond the point where sales can be readily and

profitably made, and this must be adjusted before normal conditions are restored.

In Quebec as well as in the cities of the Maritime Provinces, Ontario and elsewhere, the need of greater housing accommodation is painfully apparent. The information regarding shipbuilding is most gratifying, and we hope that what is said regarding road building by both our Quebec and Ontario representatives will be carefully studied, and will have some effect in hastening the progress of the work on this very necessary aid to economical transportation.

The prairie provinces suffered from bad weather and produced only an ordinary harvest. This harvest, however, would have been very gratifying but for the terrible needs of Europe at the moment.

In almost all the reports there are statements of great importance in regard to mining. Our reports from British Columbia and the three Pacific Coast States all exhibit marked prosperity, especially in view of the great variety of their products and markets.

In the effort to conquer the difficulties of transport by sea, and for the further purpose of building up foreign trade with new countries, the Government of Canada has entered upon a relatively large programme of shipbuilding. Contracts have been let for sixty vessels with a dead-weight tonnage of about 360,000 tons. Of these forty-five were contracted for before the Armistice at slightly under \$200 per ton, while fifteen contracted for since the Armistice will cost less than \$175 per ton. The total cost of the sixty vessels will be slightly under \$70,000,000. To date twenty-three vessels have been completed and nineteen have been turned over to the Canadian National Railways and are in commission. These ships have been built in fourteen different shipyards in the following thirteen places: Halifax and New Glasgow in Nova Scotia; Levis, Three Rivers and Montreal in Quebec; Toronto, Welland, Midland, Colling-

wood and Port Arthur in Ontario; and Vancouver, Victoria and Prince Rupert in British Columbia. There can be no doubt that in opening up new routes between Canada and the West Indies and South America, where private enterprise could hardly be expected to bear the initial cost, these Government vessels have done excellent service. From the report on business conditions for Quebec it will be seen that considerable shipbuilding for other governments and individuals is also being done in Canada.

In the number of cargoes handled Montreal has had the largest year in the history of the port. The transatlantic ships arriving in the port last year exceeded 700, against about 400 ten years ago.

In a supplement to our August monthly letter we published some of the information gathered by representatives of the Bank who recently visited Australia, New Zealand, Japan, Korea, Manchuria, and China in the interests of the foreign trade of Canada. While it is reasonably clear that our exports for some time to come will consist mainly of the products of the field, the forest, the mine and the sea, the great staples of our country, we must hope steadily to increase the export of commodities on which we have spent the maximum of labour rather than those on which we have spent the minimum, that is, manufactured goods rather than raw material. At present there is such an active market at home for the product of our manufacturers, that few Canadian firms seem to be trying to enter foreign markets. In the supplement referred to we tried to demonstrate how varied is the field for articles which we can make, and what have been the main hindrances to success thus far. As our supplement says: "undoubtedly a share of the trade can be secured if our manufacturers will go to the expense of sending a competent representative to study local requirements, select local representatives and co-operate with the latter in the sale of their goods. Immediate results should not

be expected, and manufacturers should be prepared to bear at least a share of the cost of advertising for a few years until their goods are well established, and their reliability and durability proven. We can sell in another country only if the goods are at least equal to those of our competitors in price and quality, and we should aim to have the stamp 'Made in Canada' represent absolutely undoubted quality, the best workmanship and the finest materials. It is only by producing a superior article that we can hope to make rapid progress in our foreign trade." Many manufacturers will urge at the moment that, if they cannot get raw material or labour sufficient to enable them to fill home orders, it is idle to talk of foreign trade, and it is hard to answer such a statement. Nevertheless, when the pendulum swings the other way, we shall need the foreign trade and, indeed, in the future we shall not readily be able to meet our indebtedness on securities held abroad unless we can greatly build up our exports. For this reason we feel that the spade work which must in any event be done should be begun now. We should be opening markets for Canadian goods in other countries for the purpose of building up a trade which we shall sadly feel the want of in a few years, if we ignore our present opportunities.

We have said before that Canada can solve its post-war problems more readily than almost any other country, but this of course means Canada at its best. We shall, I hope, settle our problems of taxation with reasonable fairness and common sense; so improve the relations between labour and capital that the country can do its very best in production; so direct the large immigration, which is coming both from Europe and from the United States when transportation becomes less difficult and less costly, that it will greatly increase the numbers both of settlers on the land and of workers in factories; and thus enable our country to bear cheerfully the cost of the war and, better still, make every returned soldier think that such a country was worth fighting for.

The President then moved the adoption of the Report, which was seconded by Sir Joseph Flavelle, Bart., and carried unanimously.

Mr. Graham Campbell then moved, seconded by Mr. F. P. Jones, that the retiring auditors, Messrs. T. Harry Webb, C.A., and James Marwick, C.A., be and they are hereby reappointed to hold office until the next annual general meeting, their remuneration not to exceed \$20,000.

The Chairman: The remuneration fixed by the shareholders heretofore was \$18,000. Our reason for desiring to have the amount increased is the great increase in the number of branches and the character of the work; as you will have seen from the report there are more than 100 new branches. The auditors count the cash and verify the securities at ten or a dozen of our largest branches, and last year it took a staff of their men three weeks to perform these duties in London alone.

Mr. Rundle: As a shareholder and as a customer of this Bank, I esteem it a great privilege to move the resolution which has been placed in my hands: That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months.

The President and General Manager have presented to us to-day a magnificent statement, and splendid figures, but behind those figures is the human element which breathes into them life and makes them pulsate with a meaning and a character which mere printer's ink could not do. The banking system of this country is a powerful factor in the prosperity and happiness of the country, for the banks are, in a peculiar sense, a great public trust. I am proud of the directorate of this Bank, and whatever the future may be, I feel that this Bank will play a splendid part, as it has in the past, because it is directed by men of clear vision, commanding courage and

of sympathetic understanding. I have great pleasure in moving the resolution which I have just read.

Colonel V. Massey: It is superfluous for me to add anything to what Mr. Rundle has so well said in appreciation of the services of the Directors of this Bank. The statements we have before us are the best evidence of the wise administration which this Bank has received, and we are indeed greatly indebted to the directorate for their services during the very difficult period through which we are passing. I have great pleasure in seconding the motion.

The Chairman: I ventured to say at our last annual meeting that the year had been one in which the Directors, with the General Manager, were called upon to face the gravest questions, the newest problems, and to grant the largest credits in the history of the Bank. We little thought then that the year of reconstruction would be one in which the questions would be still more varied and difficult, the credits still larger, and the new problems even more numerous than during the war. We have done our best, and while we look forward to further problems in the future, I think that you can take it for granted that we are fully alive to the gravity of our duties in these times, in administering such an institution as The Canadian Bank of Commerce.

Mr. E. M. Saunders: As I said on a former occasion, when asked to move a resolution of thanks to the staff, I believe that I can do it a little more feelingly as one who had a long service with the Bank of Commerce before joining the staff of the Canada Life Assurance Company. It is rather a coincidence that I am sitting beside my first chief in the Bank of Commerce, Mr. Ireland, who was then manager of the Seaforth branch. It was my privilege to be under Sir John Aird in western Canada for a period of about ten years, and during that time I had a first-hand opportunity of realizing and appreciating the services of Sir John to this institution. It was not my privilege to be

as closely associated with Mr. Jones in his work, although I watched his career with a great deal of interest, as did others.

As to the other members of the staff, I was one of them for very many years, and if they continue to perform their duties as zealously and as faithfully as they did then, I can quite truthfully say that they deserve the most generous treatment that can possibly be meted out to them, because—as we would say in the insurance world—without the field force, the efforts of the executive officers would be of no avail. The story of the work they have done is told in the balance sheet which has been presented to the shareholders to-day.

I have, therefore, very much pleasure in moving, seconded by Mr. Hay: That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.

Sir John Aird: I wish to thank you briefly but sincerely for the resolution that you have passed, and for the kind words which Mr. Saunders has spoken, as an old officer of the Bank, of its executive and field force. It is not my intention to reply at length to this resolution, as that duty has been delegated to my associate, Mr. Jones, and to Mr. Macgillivray, our Superintendent at Halifax, and Mr. Stevenson, our Manager at Ottawa. Before sitting down, however, I should like to call your attention to the model on the wall facing me, which is a specimen of the plaque which it is intended to place at our smaller branches in memory of those of the staff who went to the war. The inscription reads: "In memory of 1704 men of The Canadian Bank of Commerce who served in the Great War, 1914-1918." Then follows the list of men who enlisted from the branch at which it will be placed. This

plaque is a specimen of those intended for the smaller branches. You will see that it bears the caduceus and is surrounded by a wreath of olive leaves. We have also in preparation other models which will be placed at our larger branches. These, I hope, will be ready before our next annual meeting. This plaque, however, will be ready for distribution some time earlier in the year.

Mr. Jones: Although this resolution to which I am called upon to respond has become a part of the routine of the meeting, yet its real significance has never been lost sight of, as it places the final seal of approval of the shareholders upon the services of the officials of the Bank for the year under review. This evidence of your approval is each year looked forward to, and I wish to thank you on behalf of the executive, the head office staff, and the managers and officers of the Bank for the words of appreciation in which you have conveyed to us your thanks for our labours during the past year. As you will have learned from the General Manager's address and the figures of the report, the business of the Bank has grown enormously, resulting in additional responsibility and in increased labour on the part of the executive and staff. A considerable number of new branches have been opened during the course of the year, some of which are situated in newly settled districts where comforts there are none, and the service is difficult and arduous. The calls upon the staff for such service have been responded to in a noble spirit of self sacrifice, and they, I know, will read with satisfaction your words of appreciation, which will help them to bear even more cheerfully the discomforts which they have to endure for the present.

It may be of interest to you to learn that our staff at the end of November, 1918, numbered 3457; composed of 1707 men, 304 messengers, and 1446 women, and that at the end of the financial year now under review the number

was 4042, consisting of 2469 officers, 347 messengers and 1226 women.

During the year we were glad to welcome home 996 of those of our officers who so nobly served their King and country. The experience gained in the field has in the great majority of cases given them strength of character and a more serious view of life, and should enable them to aspire to higher positions in the service of the Bank.

As Mr. Saunders has so well said, the success of the Bank depends on the character and loyalty of its staff, and I again wish to assure its shareholders that The Canadian Bank of Commerce possesses a loyal, hard-working and conscientious staff which is second to none in Canada. The high cost of living has pressed heavily upon all of them, and we have to thank you for the generous consideration which your Board has given to their difficulties. It is hoped that the coming year will bring some amelioration by way of reduction in the cost of living. On behalf of the executive, the head office staff, the managers, and officers, both men and women, I desire again to thank you, Mr. Saunders and Mr. Hay, and the other shareholders present, for the kind resolution which you have just confirmed.

Mr. D. Macgillivray: I am very happy to be associated with the Assistant General Manager and Mr. Stevenson in responding to this motion of thanks. I was pleased to notice in the General Manager's remarks, that he gave full acknowledgment to the loyal service of the staff of this Bank. I am now one of the senior men. I have had a very wide experience, mostly among the men at the outposts and in the very midst of the fray, and I can speak with very full knowledge and very deep feeling and appreciation of the uniform, and remarkably high standard of esprit, professional responsibility, professional ability and enthusiasm always evinced by the staff of the Bank of Commerce.

I should like to say for all my colleagues, young and old, male and female, throughout the 500 odd branches, that I can assure you that we appreciate greatly the uniformly consistent policy of the administration of this Bank, supported by the good-will of the Board all these years. I think it has been taken as a model for our friendly competitors in many respects.

In the minds of the shareholders here I suppose the services of the bank men are limited to what we do in the banks. Now during the war, as well as at other times, I should like to point out that the bank men rendered very wide and very useful and continuous public services of a varied character. I am glad that the Right Honourable Sir Thomas White—lately Minister of Finance of this country—is present to-day, for I think that the success of the Victory Loans was partly due to the officials of all the banks, high and low, and that they perhaps did as big a service for the success of the loans, quietly and unrecognized, as the publicity committee. We were working night and day in connection with the routine of these loans. It was all thrown on the banks because they knew it would be well done.

Mr. P. C. Stevenson: It gives me a great deal of pleasure, on behalf of the staff, to thank you for this resolution and to testify to their gratification at this tribute to their services.

It is in the nature of things that an annual resolution such as this might perhaps be viewed by many as a mere formality, but I like to tell you that it is not so regarded by us. In "The Commerce," as we generally call it amongst ourselves, we take a pride, and I think not without reason, that we possess a certain distinctiveness in the solid and loyal spirit with which our staff carry on. The older servants of the Bank will know that this happy condition is the result of what I might perhaps call the human touch,

which all grades in the service invariably experience in their contact with the executive. With the growth of the Bank to its present huge dimensions, I have in late years heard expressed from time to time a dread lest perhaps we should lose that relationship in the natural tendency of the head office towards departments, with all that frigid word implies. Personally I am glad to say I have no misgivings on this score. I think our staff traditions are too strong and too firmly founded. At present, if I may say so, we have executive officers and a General Manager possessing to a marked degree not only the high respect but the affection of the staff, and I have every confidence that in future years similar good results will be reviewed, and that other members of the staff will tell you, as I now do, that in addition to the assistance, encouragement, and inspiration which we look for, and which we get from our head office, we highly appreciate and like to have our shareholders say to us once a year, as you have to-day, "Well done." I thank you again on behalf of the staff.

The Chairman: The next resolution has to do with the by-laws. A year ago you gave the Board the privilege of enlarging the number of directors to 25, by resolution, and as I indicated earlier, that left three possible vacancies upon the Board, and one of these vacancies has been filled. We propose to present for election now, when the ballot is taken, two additional names: that of Mr. J. A. Richardson of Kingston, a leading grain merchant of Canada; and that of Mr. T. A. Russell, well known to most of you as a fellow townsman and one of the brilliant young manufacturers of Toronto. This will increase the Board to the limit of 25, and the resolution asks the shareholders to accord us, if they will, power still further to increase the Board should we have occasion to do so during the year.

It was then moved by Senator Foster, seconded by Sir Thomas White, that the following by-law be adopted:

The Principal Items of the Annual Statement of
The Canadian Bank of Commerce are
compared with previous years
in the tables below:

	1918	1919	Increase or Decrease	Percentage of Gain or Loss
Notes in Circulation.....	31,583,694	30,047,659	- 1,536,035	- 4.9
Deposits.....	353,158,816	393,605,156	+ 40,446,339	+ 11.5
Specie and Dominion Notes	61,971,163	63,361,602	+ 1,390,438	+ 2.2
Total Quick Assets	203,018,981	219,911,724	+ 16,892,742	+ 8.3
Commercial Loans.....	217,289,936	238,127,440	+ 20,837,504	+ 9.6
Total Assets	440,310,703	479,644,205	+ 39,333,502	+ 8.9
Net Profits.....	2,850,318	3,074,892	+ 224,574	+ 7.9

Percentage of profits to total assets - - - .64%

Percentage of quick assets to liabilities to the public 49.11%

	1917	1918	1919
Notes in Circulation.....	23,995,244	31,583,694	30,047,659

Deposits.....	276,425,654	353,158,816	393,605,156
Specie and Dominion Notes	54,652,247	61,971,163	63,361,602
Total Quick Assets	167,336,942	203,018,981	219,911,724
Commercial Loans.....	164,668,158	217,289,935	238,127,440
Total Assets	344,375,232	440,310,703	479,644,205
Net Profits.....	2,637,555	2,850,318	3,074,892

BY-LAW No. 10.

The Shareholders of The Canadian Bank of Commerce in annual meeting assembled on the 13th day of January, 1920, hereby enact as follows:

Consolidated by-law No. 1 is hereby amended by striking out the words "twenty-two" in the third line thereof, and inserting in lieu thereof the words "twenty-five"; also by striking out the word "three" in the last line and inserting in lieu thereof the word "five."

In response to the remarks of a shareholder present, who drew attention to the difficult position in which some of the Bank's pensioners were placed by reason of the great increase in the cost of living, and who enquired as to whether anything was being done on their behalf, the President and General Manager explained the workings of the Pension Fund and announced that it was the intention to have its position again actuarially examined this year. They also referred to the steps taken to relieve any cases of necessity which arose in this connection.

The meeting then adjourned for the vote on the by-laws and the election of Directors.

The scrutineers subsequently announced that the amendment to the by-laws had been passed unanimously, and that the following gentlemen had been elected as Directors for the ensuing year:

Sir Edmund Walker, C.V.O., LL.D., D.C.L., Z. A. Lash, K.C., LL.D., John Hoskin, K.C., LL.D., D.C.L., Sir Joseph Flavelle, Bart., LL.D., A. Kingman, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, A. C. Flumerfelt, Hon. Geo. G. Foster, K.C., Chas. Colby, M.A., Ph.D., George W. Allan, K.C., M.P., H. J. Fuller, F. P. Jones,

H. C. Cox, Charles N. Candee, J. S. Mitchell, Thos. Findley, W. W. Hutchison, H. R. Silver, The Rt. Hon. Sir Thos. White, K.C.M.G., Jas. A. Richardson, and T. A. Russell.

At a meeting of the newly elected Board of Directors held later, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was re-elected President, and Mr. Z. A. Lash, K.C., Vice-President.

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1919.

NEWFOUNDLAND	The St. John's Manager
THE MARITIME PROVINCES	The Halifax Manager
QUEBEC	The Montreal Manager
ONTARIO	{The Superintendent of Ontario Branches
MANITOBA, SASKATCHEWAN AND ALBERTA	{Superintendent of Cen- tral Western Branches
BRITISH COLUMBIA AND YUKON -	{The Superintendent of Pacific Coast Branches
THE UNITED STATES	{The New York Agent and the Superinten- dent of Pacific Coast Branches
GREAT BRITAIN	The London Manager

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1919

NEWFOUNDLAND

The period under review was an anxious and trying one, fraught as it was with difficult questions arising out of the transition from the conditions of war to those of peace. The season for the marketing of Newfoundland fish was not very far advanced when the Armistice was signed, and the question loomed large as to how this momentous event would affect the price of food-stuffs. It was felt in some countries that an immediate reduction in prices would be the outcome, and with this idea in mind, operations were somewhat limited for a time, until purchasers realized that as long as the available supplies of foodstuffs were dangerously small, prices could not suffer much change. Accordingly while prices did not remain at the same high level throughout the season, shippers were, as a rule, able to escape loss on the high prices which they had already paid for their stocks of fish. Toward the end of the season, however, some of the European markets were considerably over-supplied and faced the warm weather with very heavy stocks on hand. In Spain, although considerable losses could not be avoided, the adequate cold storage accommodation available lessened these losses very considerably. In Portugal, however, shippers were not so fortunate; it required some time and very considerable reductions in price, to enable them to dispose of the large stocks on hand. Fortunately, Greece offered an outlet for the disposal of a certain quantity of soft cured fish. During the war, owing to the risk from submarines in the Mediterranean, shipments of Newfoundland fish to that country had been virtually sus-

pended. With the cessation of hostilities Greece again became a purchaser and considerable quantities of fish were sent forward. Remunerative prices were paid for several cargoes, but the market was soon overdone, with the result that at the end of the season large quantities of fish were on hand which could not be sold. The market for soft cured fish was considerably helped by the eventual sale to Roumania of a steamer cargo amounting to about 50,000 quintals, which it had been found impossible to dispose of satisfactorily, either in Italy or Greece. Payment for this was made in Roumanian bonds redeemable in three years.

It may not be out of place to mention here that one unfortunate feature of the Newfoundland fish trade is the lack of regulation of shipments to foreign markets. It has repeatedly happened that, when favourable conditions prevail in a particular market, large supplies are immediately rushed forward to it, with the result of immediately over-stocking it and causing a sharp fall in values. The Government recently elected in Newfoundland has taken steps to endeavour to prevent this as far as possible. No shipments will be allowed without a permit, and an attempt will be made to control the amount shipped to the various markets. It is to be hoped that these steps will be effective.

During the war, owing to the difficulties of transportation, shipments of Iceland and Norwegian fish to European markets were reduced to a minimum, their competition with Newfoundland fish being thus eliminated. However, on the signing of the Armistice, the large quantities which had accumulated during the war were sent forward and competed very strongly with the Newfoundland article. This was particularly noticeable in such markets as the north of Spain which before the war consumed hardly any Newfoundland fish; and Italy, where a great deal of Norwegian and Iceland fish was sold.

It is to be regretted that losses have occurred again this year from the poor quality of some of the fish sent forward, particularly the soft cured fish. During the present season, however, it appears that much more care has been exercised in the preparation of the fish, and the quality shows a decided improvement.

Notwithstanding the unsettled outlook of the foreign markets, prices on the local market continued somewhat strangely to advance steadily until towards the end of the season, when record prices were paid for fish. The exports of codfish for the last two fiscal years have been as follows:

	1919		1918	
	Quintals	Value	Quintals	Value
Dried.....	1,681,770	\$24,316,830	1,821,206	\$18,829,560
Pickled.....	212,253	1,543,282	195,218	1,023,426
Total.....	1,894,023	\$25,860,112	2,016,424	\$19,852,986

The valuations given were obtained for Customs purposes and do not necessarily reflect the actual amount realized on the foreign markets. It would no doubt be found that on the falling market of the past season the amount actually realized would show a considerable reduction on the declared value, whilst in the previous year on a rising market the reverse might possibly have been the case.

The Act regulating the refining of cod-liver oil passed by the Government in 1916 continues to produce good results, which is reflected by the demand for the Newfoundland article in foreign markets. In 1914 only 26,218 gallons of refined cod-oil were exported; the increase since that year is remarkable, as is shown by the following figures:

	Quantity	Value
1918.....	321,969 gals.	\$674,093
1919.....	342,592 gals.	832,352

The market for refined oil, at the beginning of last year, was very depressed, and few enquiries were received from

abroad, prices declining to from \$1.80 to \$2.25 per Imperial gallon, but the 1918 stocks were cleared out by the end of last July. There continues to be a good demand for this season's refined oil at about \$2.50 per gallon. During the early part of the season 1918-19 (the season begins in June) prices paid for common cod-oil on the local market continued at high figures, but sagged gradually after the turn of the year, falling from \$240 per tun to a nominal price of \$130 per tun. The market was practically at a standstill from December until April, and stocks were completely cleared out by 31st July, at which date prices had again reached \$230 to \$245 per tun. The yield of common oil was very much below that of the previous year, being 4,516 tuns valued at \$1,411,581, as against 7,350 tuns valued at \$1,768,724 the year before. The new season's oil is in excellent demand, but we regret to say that the quantity will be limited, as reports from the Labrador state that the cod livers carry little oil. Common oil is used largely in the manufacture of leather, there being an excellent demand in New York for this purpose.

The herring fishery, which showed such splendid results during the previous year, had an unfortunate set-back in the season 1918-19. A most gratifying improvement had taken place in the curing of herring, particularly the "Scotch" cure, but the results of the past year show that the improvement in both packing and curing was not maintained. The condition of hundreds of barrels, which were duly branded and passed, was discreditable alike to packers and inspectors, and instead of setting a standard for excellence, has brought discredit on a valuable industry. The late commencement of the packing season, and the exceptional prices obtained during the previous year, induced packers to pay extremely high prices to fishermen for green herring from the net, and placed the cost of the finished product at such a very high figure that the New York market, our largest consumer, refused to pay it.

The autumn fishing was fairly successful, and at the outset exporters asked \$30 per barrel for "Scotch" cure, but as no spread in prices was made between large and small herring the New York buyers made only small purchases, and prices from then on steadily declined. The poor demand in New York was doubtless a large contributing factor to the drop in prices, but the competition of Alaska and Pacific Coast herring also aided it. Stocks of last season's herring are still held unsold both in Newfoundland and New York, and are selling slowly at \$10 per barrel. Sharp losses will have to be taken by both exporters and packers. The large supply of salt, barrels, etc., sent to the various points along the coast was purchased at high prices and is being carried over to a large extent, which will result in a considerable loss. There has been, however, a fair demand for "split" herring and "Norwegian" cure. The exports for the fiscal year ending 30th June were 212,369 barrels valued at \$2,535,534, as against 216,048 barrels valued at \$2,075,202 for the previous year.

The results of the seal fishery were most unfortunate. There were fewer vessels operating than formerly, and, owing to heavy ice conditions and foggy weather, the sealing fleet missed the main herd of "whitecoats". The catch was only 81,293 seals valued at \$273,145, as against 151,431 seals valued at \$863,552 the previous year.

Owing to the better profits received from cod fishing last season the fishermen devoted less time to lobster fishing, the season for which opened on the west coast in May. The lobsters were much larger than the run of the previous year and were reported as being plentiful. The price at the commencement of the season was about \$22 per case of forty-eight one pound tins, and the demand from foreign countries was excellent, but only a comparatively small number of packers operated. Canada, especially Nova Scotia, and the United States purchased the greater part of the catch, and prices finally reached the high figure of

\$40 per case. The following are the exports of lobsters for the last two fiscal years:

1919		1918	
Cases	Value	Cases	Value
4,494	\$102,334	8,279	\$170,737

As the stocks on hand were not completely sold until the month of October, the figures above do not reflect the whole result of the lobster catch of the past season. This industry is under the supervision of Government inspectors.

The trade in flour and all food-stuffs and general merchandise has again been very active. There has been a steady growth in all kinds of business at St. John's and the outports, accompanied by general prosperity and an absence of failures. Prices of merchandise have increased considerably, and as usual the hardships incidental to a rise in prices have fallen upon those with fixed incomes. There is a continued tendency to overtrade and credit is too freely extended. The exports for the fiscal year ending 30th June last were \$36,784,000, an increase of \$6,631,099 over the figures of the previous year, which is due largely to the result of the fisheries. The principal items are given below:

	1919	1918
Products of the fisheries.....	\$32,792,271	\$25,547,334
Products of agriculture.....	14,148	16,704
Products of the forest.....	395,709	320,609
Products of the mine.....	861,394	972,203
Manufactures (local).....	2,256,158	3,045,893

The figures of the import trade, taken from the Customs returns, are as follows:

	1919	1918	Increase
Imports.....	\$33,297,184	\$26,892,946	\$6,404,238
Customs Revenue.....	7,191,260	4,923,396	2,267,864

The revenue for the fiscal year 1917-18 was \$6,504,083, and for the fiscal year 1918-19, \$9,539,146. The net funded debt of the Dominion in 1917-18 was \$41,989,765, and in 1918-19, \$42,023,455. Since the close of the past fiscal

year the Government of Newfoundland has called for subscriptions to its second war loan, which will be quickly taken up. The issue is \$1,000,000, the rate of interest being $5\frac{1}{2}$ per cent., free from all present and future taxes, including income tax, in Newfoundland. The first war loan was for \$6,000,000, bearing interest at $6\frac{1}{2}$ per cent.

In the fiscal year 1918-19, 7,151 tons of pulpwood, valued at \$475,178, were exported, as against 14,153 tons, valued at \$404,449, in the previous year. Exports of paper for the corresponding period were 22,819 tons valued at \$1,545,344, as against 34,060 tons valued at \$2,302,243 in the previous year. In addition to the large plant of the Anglo-Newfoundland Development Co., Ltd., at Grand Falls, a new pulpwood and paper plant is in course of erection with Norwegian capital. The company will manufacture sulphide paper.

Shipbuilding was actively carried on during the past year all along the coast and many fine vessels have been built. The loss of ships owing to severe weather conditions is usually heavy, but the unprecedented and severe storms experienced recently have occasioned enormous losses. It is not likely that the building of the larger ships will continue, but the needs of the country demand that the production of small boats and schooners should be quickened and developed. We are not building enough ships to replace losses, and some of our fisheries depend entirely upon these smaller boats for their prosecution. Any encouragement by bounty, or otherwise, that will lead to an increase of our small fishing fleet by building in our own shipyards, is a most commendable policy. Such boats or schooners are not procurable, unless built locally, and their production should be assured beyond any doubt if our fisheries are to be vigorously prosecuted.

Throughout the year the weather has been most trying, adversely affecting all agricultural pursuits. There was

no summer weather until late in July, and it ended in September.

In comparison with that of former years the volume of local freight carried by the Reid Newfoundland Company and the coastal service during the past year was enormous. The increased purchasing power of the people, due to the general prosperity of the country, was largely responsible for this, and as our railway and steamship facilities were little, if any, better than those of previous years, very badly congested conditions naturally resulted at all terminals, and freight was refused continually, owing to insufficient means of transport. The strike of the railway employees of the Reid Newfoundland Company early in the year was unfortunate, and did not tend to improve matters.

A new highway is in course of construction between Port-aux-Basques and Curling, Bay St. George, by private capitalists, and it is thought that a large tourist trade may result because of the fine scenery and excellent salmon and trout fishing in the country traversed. A daylight saving Bill has been placed permanently on the statute books, and is of great benefit to the public and most suitable to this country. During the year Sir Edgar Bowring, a prominent Newfoundland gentleman, was appointed High Commissioner in London, by the Government. The Government went out of power during the year and a new cabinet was formed. Since this, however, a general election has taken place, and the old Government was not returned to power. The elections have had a most disturbing effect throughout the country, and have resulted to a large extent in seriously delaying the marketing of fish by the fishermen. One of the acts of the old Government was the passing of a bill to issue \$1 and \$2 notes of the Dominion of Newfoundland, but none of the notes have yet been issued.

The Canadian chartered banks transacting business in Newfoundland have established many new branches during

the year, in order to keep up with the growth of the Dominion. There is every evidence of a very large growth in the savings deposits of the country, and the increase in life insurance carried is estimated at \$3,000,000 during the past twelve months. The people of St. John's made a united effort during the year to improve educational facilities, and subscribed a very large sum of money for that object.

During the year considerable interest was occasioned by the arrival of airships from England to make a transatlantic flight. Weather conditions were so unfavourable that delays of several weeks were occasioned, but notwithstanding these set-backs the flight was successfully accomplished. It is satisfactory to be able to say that the re-establishment of the men from overseas has taken place comfortably, and both sailors and soldiers are settling down. H.R.H., the Prince of Wales, honoured Great Britain's oldest colony with a visit during the summer months and met with a most enthusiastic reception.

MARITIME PROVINCES

The business reports from all parts of these provinces are again, as a rule, of a favourable nature. Industrial unrest, even in this portion of Canada where manufacturing is not specially prominent, is an outstanding feature of the situation, but fortunately the weight of public opinion is in favour of sane and reasonable industrial doctrines. The claims of the ultra-radical wing of labour have, we believe, been definitely defeated, and as there is a general adherence to the principle of maximum production and fair wages, we are confidently looking forward to a continuance of sound and harmonious trade conditions. In nearly all lines business continues active, with profitable returns. Industrial concerns, with the exception of the steel plants at Sydney and New Glasgow and the car

works at Amherst, are sold well ahead, wholesale distributors are doing a large business, and retail houses report that buying by the public shows no diminution. With the exception of two or three centres where special conditions prevail, there is no unemployment and labour is very well paid. The cost of living is undoubtedly very high, yet there is not only no want or suffering, but in too many instances the evidence of even ordinary economy is lacking. The opinion expressed a year ago that the problem of demobilization would be felt less in the Maritime Provinces than in other portions of Canada has been justified. Owing to the even distribution of population and the diversity of employment in these provinces, the primary industries—farming, fishing, lumbering and coal mining—have expanded with the increased labour supply, as their tendency before was to contract as labour became scarce. We do not expect any considerable amount of unemployment in these provinces this winter.

Apparently no part of the country is free from the housing shortage, and the main causes here are not different from those which prevail elsewhere: they are the reduction of building to a minimum, and the great increase in the number of marriages, during the war. Because of the widespread housing shortage, we see no hope, within the next few years, at least, of any considerable reduction in building costs, or of a speedy appeasement of the resulting unrest.

The returns from agriculture have been abundant without exception. The lightness of the snowfall last winter was a drawback, but conditions in the spring and early summer were favourable. The summer and autumn were wet, and the quality of farm products was therefore not equal to the quantity. The yield of hay everywhere was large and it was fairly well cured. The grain yield was good, but the quality suffered somewhat at harvest time. The apple crop was large, and in Nova Scotia reached the

record of over 2,000,000 barrels, which after the usual quantity has been allotted to evaporating, canning, and the making of cider and vinegar, would leave an estimated surplus for export of 1,500,000 barrels. The value of the crop to the growers was upwards of \$5,000,000. In the Annapolis Valley this industry has now reached such proportions that great care must be taken with the grading of apples for export, if they are to command a uniformly good price; and the inferior grades and windfalls should be taken care of by a large extension of evaporating and canning factories.

The potato crop promised excellently, but the prevalence of wet weather produced a serious percentage of rot, and the net yield will not be more than 50 per cent. of the average, although the high price will make the cash results fairly satisfactory. Only in localities where soil conditions were specially suitable and where a full course of spraying was followed, did the crop escape damage. To show the great possibilities of up-to-date methods in potato growing we might mention that one field of 80 acres in Kinkora, P.E.I., produced no less than 400 bushels of seed potatoes per acre. The price has varied considerably according to locality, but 80 cents per bushel has probably been the minimum price received by the farmers in Prince Edward Island, while by co-operative selling in Nova Scotia as high as \$5.90 was received per barrel of $2\frac{3}{4}$ bushels.

Two factors continue to check any considerable increase in live stock—the high cost of mill feeds and poor marketing arrangements. The latter question is now receiving some attention, and it is hoped that stockyards with abattoir and cold storage facilities will be established in the near future at some central point. This would ensure to the farmers prices approaching those obtained in Montreal and Toronto, which are at least 15 per cent. higher than those usually paid by outside drovers in the Maritime Provinces, and at the same time the consumer would

benefit almost equally, seeing that he now pays much higher prices than those ruling in the cities mentioned.

The increase in the number of sheep raised in Prince Edward Island and New Brunswick is worthy of notice, but excepting in the eastern counties there is no substantial advance in this regard in Nova Scotia. The horse market in Nova Scotia and New Brunswick is dull, and it is cheaper to import animals from Ontario than to raise them locally.

The progress in dairying reported in recent years is well maintained, but the question of winter feeding is a difficult one, especially in Nova Scotia. It is felt that the silo is the solution of this, and already the experimental use of silos for corn in the Annapolis Valley, and for oats and peas elsewhere, has proved very successful. In spite of the difficulty, however, the number of creameries in the provinces has doubled in the last decade, and the value of the annual production of butter and cheese is now estimated at \$3,000,000.

The fox industry in Prince Edward Island is experiencing a marked revival, and the prices obtained for furs both in the London and St. Louis markets tend to restore confidence in the permanency and ultimate success of this business. There is a broadening market even outside of this continent for breeding stock, and sales are commonly reported at \$650 to \$800 a pair, which is slightly in excess of the average fur value. There are probably 4,200 pairs of breeding foxes in the province, and it is estimated that 5,000 pelts will be marketed this winter.

It has been a good year for the fishing industry of the Maritime Provinces. In the shore fishery, comprising principally herring, mackerel, alewives, cod, haddock, pollock, hake, and tuna, the catch has been a good average one, and although prices were unsettled, and as a result of the Armistice somewhat lower than in 1918, the net results to the fishermen will be very close to those of last season.

All old stocks are now disposed of (including herring, large stocks of which were carried over, entailing considerable losses), the present position of the market is sound, and the outlook satisfactory.

The fresh fish trade with Montreal and places in western Canada shows a gratifying increase. At Mulgrave, on the Strait of Canso, the records show that in 1908 the quantity of fresh fish shipped over the Canadian Government Railways was 3372 tons valued at \$236,000, while in 1918 the shipments were 13,010 tons worth \$1,560,000. Other shipping points, if figures were procurable, would doubtless show corresponding growth.

The lobster catch was greater than that of last year, although still below the average, largely because fewer fishermen were employed. Canned and live lobsters were both in keen demand and realized the highest prices ever known, the value of the two being almost \$7,000,000, a figure probably not exceeded in any former season. In 1919 this fishery was conducted under new regulations which have proved fairly successful.

There is great room for development in oyster culture. There are 5,000 acres in New Brunswick waters, 4,300 in Prince Edward Island, and 1,250 in Nova Scotia, suitable for artificial culture. Fifteen years ago these provinces exported about 65,000 barrels; the output, however, has dwindled to trifling proportions, but the industry would again afford a good field for enterprise.

The stock of dried fish left over from 1918 has now all been marketed. The catch was sold at record prices to the fishermen, and fair profits to the merchants. The Lunenburg banking fleet has had a record catch again this season, and the total will probably exceed 300,000 quintals, as against 238,000 quintals the year before and 233,000 quintals in 1917. The spring catch was sold at an average price of \$13 per quintal, and while at the time of writing the price of the summer catch, which is the principal one, has not

been fixed, we expect it will be about \$12. Even after allowing for the doubling of nearly all costs to the fishermen since the time when their dry fish brought \$6 per quintal, the unusual size of the present catch makes the business very profitable at \$12. The cash value of the total fish production of the Maritime Provinces in 1919 is estimated at \$19,000,000 to \$20,000,000. The exporters are confronted with a difficult situation owing to transportation and exchange conditions, but it would appear that all the Canadian catch will be required to supply the United States, the West Indies and Brazil, and we therefore expect that the trade will have another successful year.

It is expected that the Lunenburg fleet will be augmented next season by about 20 vessels, representing an investment of \$500,000 to \$600,000, and that 500 additional fishermen will be required. The experiments with trawlers, of which seven or eight are in use in the fresh fish business, have proved successful, but apparently the day of the ordinary fishing schooner is not yet over.

The lumber cut in 1919 was in excess of that of 1918, and is estimated to have reached 450,000,000 feet in New Brunswick and 300,000,000 feet in Nova Scotia, and to be worth \$25,000,000 to \$26,000,000. Probably one-half of the cut is still unshipped. It is understood that some of the larger manufacturers have been holding for higher prices, but it is estimated that 60 per cent. of the quantity held over is for account of the British Government and has all been paid for. It is expected that all old Government contracts will be completed during the winter, so that on the opening of navigation at the outports all other stocks should be well taken care of. Manufacturers who sold at the prevailing prices of last winter and spring made substantial profits in 1919, but those who were not willing to do so have lost money through the fall in sterling exchange, and the overhead charges for carrying their stock.

Buyers and shippers have had a trying year, as prices, freights and exchange rates have been most erratic. Taking the season as a whole they do not expect to do more than break even. It is not easy to form an opinion as to the prospects of next season. Owing to the ravages of the spruce budworm, New Brunswick will have a larger cut than would otherwise be the case. The cost of production generally will be higher than last year, and we cannot see how values in this or any other timber exporting country can decline for some time to come. The work of reconstruction abroad is disappointingly slow, owing to labour unrest, but a year hence it should be well under way, and we therefore expect the demand for lumber next summer to be quite satisfactory, and as other exporting countries have to meet similar conditions to our own, or perhaps even worse, the cost of production everywhere will be high and values must therefore be maintained. Russia, which in normal times supplied 50 per cent. of the English requirements against Canada's 7 per cent., will not be able to re-enter the market for some time. The American market was good throughout the year for spruce, although dull for hemlock and pine, and absorbed probably 20 per cent. of our production. The demand there in the autumn was the best in the history of the trade, and \$34 was paid for random spruce, f.o.b. cars, which at the time was about \$5 above the English price. The enquiry from the United States continues good and contracts are being freely entered into.

Pulp was in good demand, and from present indications the market will continue strong, with prices probably advancing as much as 25 per cent. There is an increasing and active enquiry from the United States for our pulp and lumber woodlands, and the values of such properties are constantly advancing.

The Department of Forestry in the University of New Brunswick has been the means of attracting attention to

the very urgent subject of conservation and reforestation, and it is reported in the press that one of the lumber companies in the province is about to undertake far-reaching experiments as to the best methods to be used. The importance of conserving the extremely valuable timber resources of New Brunswick and Nova Scotia should immediately receive the earnest attention of the governments of both provinces. For years it has been a trite statement that forest fires accounted for more of our valuable timber than the lumberman's axe. It is surely in the public interest that this state of things should no longer be permitted, and that regulations to prevent forest fires should be of the most stringent character and should be rigidly enforced.

Wooden shipbuilding is once more on a purely commercial basis, and practically all yards which were established to share in the war boom have permanently closed down. The buying demand for sailing vessels of the larger tonnage has almost disappeared, but there is still a well sustained enquiry for vessels of 100 to 350 tons, and the established yards continue to be occupied at very profitable rates in turning out craft of this class. Cargoes are still abundant and freights remunerative, and vessels that have been built at a reasonable cost are earning good dividends. The shipyards at Halifax and New Glasgow are building steel carriers under the guarantee of the Federal Government, and at the former place the dry dock and repair plant have been busy all season. It is anticipated that it will require a total expenditure of \$7,000,000 to equip this yard fully, and it will then have an annual capacity of from six to eight ships of 8,000 tons or over.

No increase has taken place in the production of coal, and in Nova Scotia the output was about the same as in 1918, namely 5,300,000 tons. Had vessels been available for its transportation, doubtless a substantial increase

would have taken place; the situation in this respect, however, has shown a marked improvement during the latter part of the year. Labour is now more plentiful, and it is hoped that a steady improvement will take place until the record of 7,204,000 tons attained in 1913 is again reached and passed. The shipments by the St. Lawrence to Quebec and Montreal were about 50,000 tons, as against 2,200,000 tons in 1913, the highest figures—and this is a very disappointing situation. In New Brunswick a certain amount of development is always taking place in the coal areas, and in Nova Scotia there are no less than 45 collieries in actual operation. The Government inspector reports their physical condition to be first-class, and that every one of them is in a position to employ more men and turn out more coal.

Never during its history has the steel industry in these provinces been surrounded with more difficulties. The cost of labour is the principal one, as although both the large companies own the sources of all the raw materials entering into the production of iron and steel, namely, ore, limestone, dolomite and coal, the cost of coal in Cape Breton is about double what it was in pre-war days, the cost of coke has increased 230 per cent., the cost of pig iron 266 per cent., and that of steel ingots 273 per cent. The fact apparently is that the increased cost of the finished product is so great that neither the domestic nor any foreign market will readily absorb it even at the present cost of production, much less at any advance thereon by way of profit. It would therefore appear that the present cost of labour must be reduced before any substantial improvement can take place in the industry. At Sydney new coke ovens have been completed at a cost of about \$5,000,000, and a new plate mill of the most modern design at a cost of another \$5,000,000 will shortly be ready. A new electric power station is to be erected at a cost of \$1,000,000, and improve-

ments involving an outlay of \$1,500,000 have been made at the Wabana mine.

The scarcity of houses throughout the provinces has already been referred to in this report, and in the principal centres building programmes are limited only by the supply of labour. In Halifax the rebuilding after the disaster of December 1917 has been energetically carried on by the Relief Commission, and during the past season the total permits issued have amounted to nearly \$6,000,000. It will take at least two years more before housing conditions in Halifax become normal. In Moncton the permits reached \$3,000,000. No definite measures have yet been taken by the provinces to make immediate use of the financial aid offered by the Federal Government for building houses, but the matter is at present under consideration. The Federal grants in aid of road-building are being availed of to the very great improvement of the main highways. Moreover, the installation of standard gauge on the Government railway in Prince Edward Island, and the double tracking of portions of the railway in New Brunswick and Nova Scotia, mark an important advance in railway equipment. The shipping facilities at St. John and Halifax are being constantly improved, and these ports are now in a good position to handle the increasing trade which passes through them. The tourist traffic during the past summer reached such dimensions that transportation facilities were strained and hotel accommodation was quite inadequate. The number of tourists visiting the three provinces is estimated to have reached 75,000, which would entail cash expenditures of not less than \$5,000,000.

From the foregoing brief review it will be seen that the production of all those industries which are based on natural resources has been very high, and the cash results have been extremely favourable. The present financial position of the population, notwithstanding the high cost

of living and a good deal of personal extravagance, must therefore be satisfactory. This is reflected in an increase of 30 per cent. in the clearing house returns, the absence of commercial failures, the satisfactory position of mortgage loans, the increase in life insurance business, the strong investment demand, the expansion in railway passenger traffic and the overflowing attendance at all the higher institutions of learning.

QUEBEC

The period of uncertainty and lessened activity in trade which followed the signing of the Armistice was of brief duration, and the year as a whole has been one of great prosperity for Canada and for the Province of Quebec in particular. Business has been active, the volume of wholesale and retail trade has continued at a high level, manufacturing industries have been working at capacity, and considerable progress has been made in developing export trade in many lines of manufactured goods which can be produced in Canada as cheaply and as well as in competing countries. Instead of the pronounced decline in values, which it was so freely predicted would take place when the conflict was ended, the tendency of prices has been upwards, and it seems improbable that there will be any marked change in these conditions until the pressing necessities of the war-devastated countries of Europe have been relieved. The need for increased production, which was forcibly demonstrated during the war, is, if possible, of even greater urgency now that we are returning gradually to peace conditions, and are realizing to a fuller extent the obligations which the war has placed upon us. The present world-wide scarcity of food-stuffs emphasizes the necessity for further enlargement of our agricultural output, to which the continuance of high prices should be a great stimulus. The chief barriers to this, however, are

the scarcity of farm labour and the growing disinclination of our young men to stay on the land.

The yield and prices of the agricultural products of the province were satisfactory last year, but there was a small reduction in the acreage under cultivation. Seeding operations were fully three weeks later than usual, owing to cold weather and heavy rain in the early spring months. The intense heat of the first two weeks in June was very injurious to vegetation, and interfered greatly with the growth of all grain crops, while the severe frost which occurred late in June did considerable damage to garden produce. The harvest of all crops, however, though later than usual on account of the heavy rains, was generally good.

The following figures supplied by the Provincial Bureau of Statistics show the acreage and yield of the principal crops for the years 1918 and 1919:

	1919			1918		
	Acres	Bushels	Per Acre	Acres	Bushels	Per Acre
Wheat.....	251,089	4,394,000	17.50	365,670	6,308,000	17.25
Oats.....	2,141,007	61,022,000	28.50	1,932,720	52,667,000	27.25
Barley.....	248,892	5,237,000	21.04	189,202	4,551,000	24.00
Flax.....	11,384	128,000	11.25	7,357	83,000	11.25
Rye.....	33,481	578,000	17.25	29,063	472,000	16.25
Peas.....	81,842	1,245,000	15.25	107,386	1,664,000	15.50
Mixed						
Grains...	156,637	4,477,000	28.58	194,288	5,246,000	27.00
Beans.....	43,202	810,000	18.73	109,803	1,867,000	17.00
Buckwheat	170,043	4,506,000	26.50	227,018	4,711,000	20.75
Corn for						
Husking.	43,603	1,199,000	27.50	54,690	1,199,000	21.75

The figures for 1919 are preliminary estimates, subject to correction when more complete information is obtained. In comparing the figures of last year with those of 1918, it should be observed that last spring the late season prevented a large number of farmers from sowing wheat, which had to be replaced by oats, barley and rye. The area sown with peas and beans was less last year, owing to the abundant crops of these products in 1918, which lessened their market value.

The yield of hay was about an average one last year, and the crop was harvested under favourable conditions. Owing to the depletion of the previous winter's supply, hay was very scarce in the spring, and unprecedented prices were obtained for shipments to American markets. Prices for the new crop range at the time of writing from \$18 to \$20 per ton, at country points, but are likely to advance. The total value of the hay and clover crop of the province for 1918 was estimated at \$107,098,400; the figures for last year are not yet available. There was not as large a quantity of wheat sown last year as in the two previous years, when strong appeals were being made for an increased production of this crop, but the area was replaced with other cereals which seem to be better adapted to this province. Owing to late seeding and poorly prepared fields—the result of wet weather—oats and barley did not do well in some parts of the province, but other districts report that both the yield and quality of these grains were very good. Late crops, such as buckwheat and corn, appear to have done exceptionally well. The high price of potatoes during the last few years has induced farmers to plant them more extensively, and the area devoted to potatoes was even larger than in 1918. While there appears to have been an abundant yield, the damage by rot has been very extensive. The crop is estimated at 57,280,000 bushels, as compared with 38,936,000 bushels in 1918.

The cultivation of tobacco is becoming more general, production being stimulated by the high prices obtained during the last few years. The crop last year was one of the largest ever produced, the conditions of growth being very favourable. An effort has been made to collect statistics relating to the cultivation of tobacco in the province. It is estimated that the area planted in tobacco in the month of June last was 22,360 acres, as compared with 12,257 acres in 1910. The average yield per acre in 1910 was 823 pounds, and if the yield of last year proves as

great the crop will amount to 18,402,286 pounds. The price last year probably averaged not less than 40 cents a pound, which represents a total value of \$7,360,914 for the tobacco crop.

Fruit is not extensively cultivated. The yield of apples was satisfactory, especially in the case of orchards which received proper care, and very high prices were obtained for choice varieties. There was an abundant yield of small fruits, such as strawberries, raspberries, and blueberries.

Although the maple season was short last spring, conditions were favourable, and the yield was very satisfactory, with the price the highest on record. The crop is estimated at 12,157,498 pounds of sugar and 1,470,775 gallons of syrup, as against 10,173,622 pounds of sugar and 1,928,201 gallons of syrup in 1918. The fact that proportionately higher prices were offered during the past season for new crop maple sugar, than for new crop maple syrup, resulted in an increase in the production of sugar and a decrease in the production of syrup. This has had a rather serious effect on the trade, as there is practically no maple syrup in Canada at the present time. It was expected that large shipments of maple sugar would have been made last year to England and France, but owing to extremely high prices and the difficulty of securing shipping space, not much trade developed.

The year was a very prosperous one for the dairying industry. The condition of the pasturage was excellent and the supply of milk was good throughout the season, except during a month or two of dry weather in midsummer. The prices paid for dairy products exceeded those of 1918 and attained the highest level ever reached in this province. The prices paid to the factories for butter during the season ranged from 52 to 65 cents per pound. The exportation of milk and cream to the United States is increasing year by year, as is also the manufacture of condensed and

powdered milk. These conditions contributed to smaller receipts of both butter and cheese at Montreal from the province of Quebec. Considerable quantities of butter have also been exported to European points, either direct or via New York. The Cheese Commission commenced the season by paying 25 cents per pound for cheese delivered in Montreal, but early in September a demand sprang up from Belgium and other parts of the continent which raised the price so as almost to stop the British Commission from further purchases. Prices, therefore, have been advancing week by week until as high as 30 cents has been paid f.o.b. country points. The high price of feed and the scarcity of labour have forced many farmers either to sell out or reduce their herds, and the census of live stock as on 30th June last shows a decrease of 107,518 in the number of milch cows.

While more attention is being given each year to improving the grade of live stock in the province, and the Government continues to assist and encourage the farmers in this respect, there is still room for further improvement, and for the exercise of greater care on the part of farmers in the selection of stock for breeding purposes. The year witnessed what are probably the highest prices ever paid for live stock, at all events, higher prices than those paid during the war, and these reached their climax during the months of June and July. In the early part of the year there was a sharp decline in values on account of the uncertain conditions which prevailed after the Armistice. Indeed it is probable that prices of hogs would have gone even lower, had it not been for the fact that the United States Government had fixed a minimum price of 17 cents per pound for hogs on the Chicago market, no packer being allowed to purchase under that price. During the first two months few orders were received in that market from Europe, which meant that all stock purchased had to be carried, and a more or less panicky feeling existed at times, causing a wide

variation in prices. This situation in the United States naturally affected Canada. There was an unusually heavy marketing of hogs during June and July in the Montreal market, the receipts in June being 12,663, as against 7,462 in June, 1918; and in July 22,426, as against 12,587 in July, 1918. As indicated above, these hogs reached the market at its high point, so that very satisfactory prices were obtained. While the hogs raised in this province show a decided improvement during the last few years, they cannot yet be classed as suitable for export trade. In sympathy with all other live stock values, prices for cattle, especially butcher stock, ranged very high during May and June. They did not suffer as severe a decline as did those of hogs, owing to the fact that hides increased in value very rapidly during the months in which the price of beef was decreasing, so that one helped to offset the other. There seems to be some tendency in certain districts to return to the raising of beef cattle, but Quebec is still a larger importer of live cattle for its own domestic uses. As far as fall prices were concerned there was very little change from the quotations of 1918, as although the price of the beef is considerably lower, the continued high value of hides has kept live-weight prices about the same. A great many calves were marketed last year as in previous ones, as farmers who did not intend to raise them sold them quickly on account of the high price that could be obtained for dairy products. The receipts of calves on the Montreal markets up to October, 1919, were 118,863, as against 94,322 for the same period in 1918. It is satisfactory to note that the number of sheep continues to increase, the high price of wool having encouraged farmers to add to their flocks. Prices have ruled about the same as those of 1918, most of the lambs being marketed at from $13\frac{1}{2}$ cents to $14\frac{1}{2}$ cents per pound. There has been a considerable surplus of lambs for export, and these have gone to the markets of New England and New York. Up to the end of October the

receipts from the two markets in Montreal were 139,653, as against 86,253 for the same period the previous year. These figures are not, however, of very much value, as a great many shipments were made direct from country points. The quality of the sheep and lambs continues to improve, and at the prices which were obtained last fall sheep-raising should be a profitable industry to the farmer.

The holdings of live stock in the province for the years 1918 and 1919, according to the official figures issued by the Bureau of Statistics, were as follows:

	1919	1918
Milch cows.....	1,056,347	1,163,865
Other cattle.....	1,213,297	1,245,819
Sheep.....	1,007,425	959,070
Hogs.....	935,425	997,255

There was an improvement in the supply of farm labour available, although there has been no reduction in the scale of wages, which was higher, if anything, than during 1918. It was not unusual for a farmer to pay \$80 to \$90 per month, with board and lodgings, to farm hands, and during haying time the scale of wages ranged from \$3 to \$3.50 per day with board.

The year 1919 has demonstrated that all grades of asbestos are needed to an even greater extent for the requirements of peace than for those of war. The demand for all grades has been satisfactory, with an unprecedented demand for crudes, and prices have shown considerable increase as compared with those of former years. The weather conditions throughout the year were favourable to production. All the mines worked at full capacity, and there was no curtailment of operations due to labour difficulties or other causes. While production has thus been fully maintained, the actual shipments from the mines will probably show some reduction in 1919, as compared with those of 1918. At the close of 1918 stocks on hand were depleted, and during the period under review the

different companies have been building up their stocks, and now hold large supplies in store in anticipation of increased prices. The demand for asbestos will increase as the Central European countries come into the market again. Firms in Germany, which took a large portion of the output in pre-war days, have already addressed enquiries to the mines, and several shipments have been made to that country during the past few months. The production of asbestos in the Province of Quebec for 1918 was 142,375 tons, valued at \$9,019,899; the figures for 1919 are not yet available.

The demand for chromite, which was so urgent during the war, ceased abruptly on the news of the signing of the Armistice, and at the end of 1918 only those operators were working who had contracts to fill at prices which permitted them to make both ends meet. The estimated production for 1918 was 36,131 short tons, valued at \$770,955. The prices which were obtained in 1918 constitute a record which will not be reached again for a long time. There is no demand at present for the product, and the future of the chrome mining industry in this province is very uncertain.

During the winter of 1918-19 lumbermen were badly handicapped in their operations in the woods by lack of labour, and by the epidemic of influenza which reached the lumber camps during the winter. Owing to these conditions production was curtailed. The lumber trade was somewhat dull during the first few months of the year, but the market began to improve early in the summer and sales have since been on a larger scale. The available supplies of all kinds of lumber are now at a low point, and as no new stocks of dry lumber will come into the market before next June, a shortage in many lines seems probable in the meantime, with consequent higher prices. The outlook for building operations is more encouraging, and an increase in the demand for lumber from this source is expected. In former years the province was dependent principally upon

the English market for the disposal of its lumber, but during the war business was developed to a greater extent with the United States, and between the two markets no difficulty is now experienced in disposing of available supplies. The Department of Lands and Forests has furnished the following estimate of the cut of lumber for the year 1918, the latest figures obtainable:

Pulpwood	1,599,278 cords
Shingles	324,519,480 pieces
Railway ties.....	5,041,495 pieces
Electric poles.....	343,979 pieces
Square timber.....	472,883 cubic feet
Saw-logs.....	759,933,605 ft. b. m.

The total value of these forest products was estimated at \$40,761,730, as against \$35,585,196 in 1917. Although the figures show an increase in value there was a diminution in the total volume of the cut.

After the signing of the Armistice large shipments of pulpwood were made, which had previously been held up on account of car shortage. This created a surplus at the mills and many contracts were cancelled. These conditions were, however, only transitory and shipments are now going forward again. The production of pulpwood last year was considerably less than that of 1918. The embargo on the export of pulpwood cut from crown lands, imposed by the province in 1910, has been rigidly enforced during the year, despite an organized and active agitation to have the restrictions either modified or removed. There has also been a marked decrease in the amount of pulpwood exported from freehold lands, to which the restrictions do not apply, indicating a commendable tendency to conserve this raw material for home manufacture.

Quebec continues to lead all the provinces in the production of pulp and paper products, now recognized as one of Canada's chief industries, and 1918 witnessed a marked increase in both the quantity and the market value of its

output. The normal and regular increase in the demand for these products was accelerated during the year by a world-wide shortage of paper which followed upon the close of the war. Several of the established mills increased their capacity during the twelve months, and a number of new enterprises, notably at Three Rivers, Chicoutimi, and other centres, are either projected or in actual process of construction. Official returns as to the amount and value of the year's production are not available. There are, however, in the province sixteen pulp mills making and selling an average of 1,300 tons of pulp daily, and twenty-seven combined pulp and paper mills producing 1,600 tons of paper daily, and a conservative estimate gives the year's production of pulp of all kinds as 800,000 tons, and of paper and paper products as 450,000 tons, the greater part of the pulp produced being consumed in the manufacture of paper within the province. The selling value of the entire output is estimated at about \$65,000,000, or an increase of \$13,294,217 over the figures of 1918, and of approximately \$23,000,000 over those of 1917. The Dominion Government statistics for 1918, the latest available, give the following facts as to the industry in the Province of Quebec for that year:

Total number of mills.....	36
Capital invested.....	\$95,402,347
Number of employees.....	11,489
Salaries and wages paid.....	\$12,021,838
Woodpulp produced, tons.....	774,865
	Quantity Value
Pulpwood consumed.....	1,063,523 cords \$10,798,650
Woodpulp produced for sale.....	395,933 tons 18,746,479
Paper production.....	408,876 " 32,959,304

A noteworthy feature of the industry is that the greater part of its products are sold in foreign markets, chiefly those of the United States, thereby constituting it a most valuable factor in helping to offset Canada's disadvantages in international exchange. The total value of Canada's exports

of pulp and paper for the fiscal year ending 31st March, 1919, amounted to \$83,872,566, out of a total production estimated to be worth approximately \$110,000,000.

The most important shipbuilding operations in the province during the year have been the construction of the hulls and engines and deck machinery of five steel cargo steamers of approximately 8,400 tons deadweight carrying capacity, and one of approximately 4,350 tons by Canadian Vickers, Limited, for the Canadian Government Merchant Marine. The same company built for the Compagnie Francaise d'Armement et d'Importation de Nitrate de Soude, Paris, one steel cargo steamer of 8,398 tons deadweight, and their shipbuilding contracts in hand for delivery during 1920 comprise six 8,350 deadweight ton steel cargo vessels, of which four are for the Canadian Government. The Davie Shipbuilding Company, Limited, launched during the year from their yards at Lauzon one steel steamer of 3,750 gross tons, one of 3,200 gross tons, five steel trawlers for naval service, and several other small vessels. They have also built seven wooden vessels of 960 gross tons each during the year. At the yards of the Three Rivers Shipyards, Limited, ten wooden vessels have been built for France. This plant has now been converted so as to serve for steel construction work, and the company is now building six steel vessels, two of 6,500 tons each, two of 4,200 tons each and two of 3,000 tons each. After the completion of this contract it is the intention to build larger vessels. Six steel vessels of 5,100 tons each have been built by the Tidewater Shipbuilding, Limited, at Three Rivers, and contracts have been undertaken for four vessels of 8,100 tons. Fraser, Brace & Company at Montreal have built during the year eight twin-screw wooden steamers of 1,500 tons capacity, to be used in the coal trade by the Government of France.

The establishment of the Canadian Government Merchant Marine is of very great importance to the port

of Montreal and to Canada generally. The fleet now comprises sixteen ocean-going vessels, varying from 3,750 tons deadweight to 8,400 tons deadweight, in operation between ports in Canada and the United Kingdom, the British West Indies, Newfoundland, Cuba and South America. It is stated that the Government plan calls for a fleet of sixty ships having a gross deadweight of approximately 300,000 tons. A new passenger and freight service has been established this season by the Compagnie Canadienne Transatlantique between Montreal and Havre. The Marine Navigation Company has also resumed its French service between Montreal and St. Nazaire, and an increasing trade is being developed with the latter port. Another French service established this season is that of the France and Canada line. The Houston Line has established a regular freight service between Montreal and Buenos Ayres, and it is expected that the Marine Navigation Company will inaugurate a service to Brazil in the near future.

During the season of navigation 786 ocean vessels, having a total tonnage of 2,179,280, arrived at the port of Montreal, as compared with 644 vessels having a tonnage of 1,910,621 in 1918. The number of inland vessels arriving was 7,499, having a total tonnage of 4,357,734, as against 6,102 vessels last year with a total tonnage of 3,313,908.

The following figures show the volume of exports of grain from the port of Montreal:

	1919	1918	Increase
	Bushels	Bushels	Bushels
Wheat.....	32,742,977	22,081,804	10,661,173
Oats.....	2,188,121	34,747,761	*32,559,640
Barley.....	10,744,525	2,762,923	7,981,602
Corn.....	285,212	.....	285,212
Rye.....	777,908	206,012	571,896
Peas.....	40,250	27,697	12,553

46,778,993 59,826,197 †13,047,204

*Decrease.

†Net Decrease.

The shipments of wheat last year showed a large increase as compared with those of 1918, but the total of all grains was slightly smaller than for 1917. Early in the shipping season of 1918 Canadian stocks of wheat were almost exhausted, and much of the western crop of 1918, which was late, did not come forward in time for the season of navigation in Montreal. During the interval between the exhaustion of the Canadian stocks and the movement of the new crop, a considerable quantity of American wheat was brought through the port, otherwise the shipments of wheat in 1918 would have been even smaller. This year the crop was earlier, and in consequence more Canadian wheat has been shipped through Montreal than in the previous year. Shipments of oats from Montreal were unusually heavy during the season of 1918, owing to army requirements in France; last year they were very much smaller, the Canadian stocks being light and prices here ruling higher than in the United States markets. Exports of barley showed a large increase, owing to the demand from Great Britain for feeding and distilling purposes.

The exports of flour for the season amounted to 7,721,747 sacks, as compared with 7,419,283 sacks in 1918. Shipments of cheese were 1,172,460 boxes, as compared with 1,619,321 boxes for the season of 1918, a decrease of 446,861 boxes. Shipments of butter were 79,155 packages, as against 143,573 packages for 1918, a decrease of 64,418 packages. Shipments of lumber amounted to 144,721,506 feet, which is an increase of 86,782,415 feet over the low figures of 1918, when vessel space was more difficult to obtain.

The construction of good roads is receiving the attention of the Provincial Government, and the expenditure during the fiscal year 1918-19 in the way of appropriations and loans for this purpose has been \$2,269,304. It is estimated that the outlay for 1919-20 will exceed this

amount by approximately \$1,000,000. The aggregate amount expended from July, 1912, to November, 1919, has been \$23,264,824, and the total extent of improved roads in the province, both provincial and municipal, is nearly 3,000 miles. The system of main communication roads, comprising 24 arteries, and aggregating nearly 2,000 miles, is being developed rapidly under Government aid and supervision. The expenditure for good roads has proved so beneficial that additional outlays would seem to be advisable in the interests of the whole community, and particularly of the farmers.

The real estate situation has greatly improved during the year and the volume of recorded sales, especially of residential properties, has been larger than for several years past. As a result of the suspension of building operations for nearly five years, there is a great scarcity of houses throughout the province, with a consequent advance in the values and rentals of residential property. While sales of commercial properties have not been very numerous, a number of important buildings in Montreal have changed hands during the year. There has also been a moderate demand for factories and factory sites, where favourably situated, at prices not much above those prevailing during war time. Notwithstanding the higher cost of materials and labour, building operations have been resumed on a moderate scale, and in addition to new construction there has been a good deal of work in the way of alterations of buildings, both residential and commercial. Reports from the country indicate that many farms have changed hands during the year at increased prices. It is stated also that more farm mortgages than usual were paid off during 1919.

ONTARIO.

The reports of our managers throughout the province are uniform in that for the past season they record satis-

factory results to the farmers, merchants and manufacturers, with here and there a note of doubt or fear as to what the future may have in store.

The field of agriculture is the one to which we first turn our attention as being the great basic industry of Ontario, and it is gratifying to be able to record that while some crops were light, the indications are that the farmers have materially improved their position, owing to the high prices which have prevailed throughout the year for all their products. The spring was wet and backward and seeding late, and although the crops came along well for a time, continuous hot weather during the summer seriously affected the spring crops. Spring wheat, oats and barley were light and very short in the straw. As was indicated in our report of last year a large crop of fall wheat was put in and came through the winter well, with the result that while it also was affected by the hot summer weather a good crop was obtained. The hay and corn crops were almost uniformly satisfactory, and owing to favourable weather at harvesting were saved in excellent condition. The supply of ensilage is abundant, and in view of the shortage of straw it is fortunate that the farmers have this supply of feed on which to draw. The root crops were generally poor. The potato crop was light, with the result that, as the production elsewhere is short, the prices are high, running from \$2 to \$2.50 per sack. In the sections where sugar beets are grown, good results were again achieved. The crop is estimated at 21,000 tons, and as the price to the farmer was expected to be \$11 to \$12 per ton, the total value represented is over \$2,500,000. The flax crop, which of late has been a highly profitable one, was except at a few points, more or less of a failure this year. The yield of grass and clover seed was not high, but on account of exceptionally good prices the crop has given excellent results.

The production of fruit, except grapes, was generally light. Apples are not of good quality, which is partly

attributable to the hot, dry summer and partly, no doubt, to a lack of attention. Much could be done to enlarge and improve the output of apples by pruning, spraying and the replacement of trees lost through age or frost, but unfortunately the scarcity and high cost of labour acts as a deterrent to improvement. Peaches did well in some parts and were almost a failure in others, but the quality was generally good. The crop of grapes was the heaviest for some years, and as the prices were very high, \$60 to \$75 per ton having been paid, the returns to the growers were excellent. The canners and jam manufacturers are reported to have put up a large pack with satisfactory results. A large export trade has been done, and there will be no goods carried over the end of the season. Tomatoes were a good crop in nearly every district where they are grown, and as prices were high the results to the farmers were unusually favourable.

A very interesting feature of farming in Ontario is the growing of tobacco in the counties of Essex and Kent. Splendid results were achieved this year both in quantity and in the quality of the raw leaf, and as prices are very high the returns to the growers have been exceedingly good. It is estimated that the production amounted to between 14,000,000 and 15,000,000 pounds, and that the total income derived therefrom will be \$5,000,000 to \$6,000,000. As this will be spread over a comparatively small area, it is apparent that there are good grounds for the optimism which prevails among those interested. The prediction is made that as the farmers become more widely educated in the efficient handling of this crop the industry will become increasingly important. The average price per pound is estimated to be 35 cents. As might be expected the interest in tobacco growing is extending to other districts, and this year about sixty acres were planted in Norfolk County with good results.

The following statistics supplied by the Dominion Bureau of Statistics give a comparison of the principal field crops of the year with those of 1918:

	1919			1918		
	Acres	Bushels	Per Acre	Acres	Bushels	Per Acre
Fall wheat....	619,494	15,051,703	24.3	362,616	7,054,845	19.5
Spring wheat.	361,150	5,646,544	15.6	351,423	8,186,191	23.3
Barley.....	569,183	13,133,757	23.1	660,404	24,247,673	36.7
Oats.....	2,674,341	78,388,018	29.3	2,924,468	131,752,601	45.1
Rye.....	140,072	2,219,042	15.8	112,726	1,812,909	16.1
Buckwheat...	178,569	4,071,959	22.8	223,662	4,597,990	20.6
Peas.....	127,253	1,816,517	14.3	113,862	2,381,937	20.9
Beans.....	22,920	288,480	12.6	100,082	1,387,834	13.9
Mixed grains.	628,761	19,735,287	31.4	619,389	27,462,374	44.3
Potatoes.....	157,286	15,144,921	96.3	166,203	19,375,947	116.6
Mangels.....	35,011	13,409,270	383	40,714	18,244,453	448
Turnips.....	85,312	28,740,526	337	85,449	42,190,382	494
Corn for husking....	221,004	15,152,475	68.6	195,310	13,015,072	66.6
Corn for silos.						
(tons).....	399,549	4,013,946	10.5	380,946	3,944,313	10.35
Hay, clover and alfalfa						
(tons).....	3,655,056	5,903,223	1.61	3,614,046	4,925,825	1.36
Flax.....	13,717	129,461	9.4	15,925	196,221	12.3

A very important feature of the agricultural life of Ontario is dairying, and it has maintained its position during the past year. In the early part of the season, due to heavy rains, a large supply of milk was secured, and while this fell off during the dry summer months, the production for the whole season was favourable. No figures are available for 1919, but we give below a comparison of the output of butter, cheese, etc., for the years 1917 and 1918 which will no doubt be of interest:

	1918		1917	
	Quantity	Value	Quantity	Value
Creamery butter.....	29,397,485 lb.	\$13,136,470	26,288,847 lb.	\$10,241,545
Factory cheese.....	107,886,724 "	24,356,019	114,319,617 "	24,318,420
Condensed & evaporated milk, & milk powder....		9,848,207		6,097,000

In addition to the 1918 figures above, milk used on farms, supplied to urban centres, used for butter on farms, and for ice cream, is valued at \$25,000,000, making a grand total for the year of \$72,340,696, or over one-third of the total production of Canada. Prices for all dairy products have ruled high, with the result that the returns to the farmer have been very large. The average price for cheese is estimated at 27 to 28 cents per pound, said to be the highest on record. There is considerable competition for milk, and the tendency towards a decrease in the output of cheese noted in our report of last year continues. It is estimated that the production of cheese for 1919 was about 5,000,000 pounds less than for 1918, and that the output of butter increased about 5 per cent.

A comparatively new development in this country is the establishment of factories for the production of powdered milk. The first plant was started in 1903, with a capacity of 25,000 pounds of milk per day. There are now five in existence, with a capacity of about 450,000 pounds per day, and it is reported that others are about to be established. The product is used largely by bakers, confectioners and ice cream makers, and is sold throughout the Dominion.

The land last fall was as a rule in excellent condition for the season's work, and more plowing has been done than for several years past. The acreage of fall wheat has again been increased, and conditions so far are very favourable, with indications, however, that the top is too heavy in some cases for wintering well.

As will be seen by the statistics furnished by the Provincial Department of Agriculture, given below, the numbers of live stock and poultry on hand have been well maintained. The figures are given as at 15th June in each year:

	1919	1918	1917
Horses.....	719,569	732,977	765,873
Milch cows.....	1,141,016	1,102,039	1,069,338
Other cattle.....	1,786,125	1,770,683	1,758,271
Sheep and lambs..	1,101,740	972,341	956,986
Swine.....	1,695,437	1,656,386	1,664,639
Turkeys.....	327,802	376,609	439,215
Geese.....	426,663	412,214	389,659
Ducks.....	377,838	392,001	480,263
Other fowls.....	10,573,506	11,090,281	12,297,155

Since 1914 the total number of cattle has increased from 2,056,288 to 2,926,191, of hogs from 1,553,624 to 1,695,487, and of sheep from 640,416 to 1,101,740.

Our reports indicate that farmers are not breeding horses as generally as they formerly did. It appears that the growing use of tractors is reducing the demand for them, but there still exists a good market for clean sound animals of good weight. There is a poor demand, however, for light-weight and road horses. The cattle market has been active, with good results to the farmers, especially during the early part of the year. Live stock generally are in a healthy condition, but are rather lighter than usual, due to closer feeding caused by the scarcity and high price of feed. Our reports show that since the date the figures given above were compiled there has been a tendency to market unfinished cattle to save wintering. It is interesting to note from the record of the monthly average selling prices of beef on the Toronto market since 1904, that throughout the whole period there has been an almost unbroken advance each month over the corresponding month of the previous year, and that year by year the lowest prices are in the winter and the highest in the summer. In 1904 the lowest price, 5.80, was in November and the highest, 8.03, in May, and in 1919 the low and high figures of 15.80 and 23.58, respectively, were in the corresponding months. A large number of hogs were grown early in the year, but with the slump in prices from the high point of 23½ cents in July to less than 16 cents at the present time, farmers have shown a

disposition to dispose of their brood sows, with the result that there is likely to be a decline in this industry which, in view of the world-wide demand for all food products, is regrettable. The determining factors would appear to be the shortage and high price of feed, and the relatively low price for hogs at the present time. The high prices for lambs and wool have caused the farmers to go more into the raising of sheep.

As was to be expected, the end of the war has had the effect of seriously curtailing the mineral production of the province, as is shown by the following statement received from the Ontario Bureau of Mines covering the first nine months of the years 1918 and 1919:

Product	Quantity		Value.	
	1919	1918	1919	1918
Gold, ounces.....	366,288	336,394	\$ 7,574,586	\$ 6,875,766
Silver, ounces.....	7,475,396	13,145,596	7,898,220	12,500,980
Platinum, ounces....	25.35	.....	1,447	.....
Palladium, ounces....	61.91	.....	3,534	.....
Cobalt (metallic), lb...	93,227	317,291	174,782	702,717
Nickel (metallic), lb...	7,820,866	582,992	2,732,676	214,507
Cobalt oxide, lb.....	321,483	397,728	463,916	572,845
Nickel oxide, lb.....	5,700	5,592	1,607	1,731
Other cobalt compounds, lb.....	29,491	33,354	18,250	17,164
Other nickel com- pounds, lb.....	217,135	334,572	22,279	36,620
Molybdenite concen- trates, lb.....	.....	43,631	.....	54,671
Lead (pig), lb.....	1,481,204	1,291,571	54,802	115,117
Copper (blister), lb...	4,436,101	359,713	756,883	79,137
Copper in matte,* short tons.....	6,818	17,052	1,908,936	6,820,785
Nickel in matte,* short tons.....	11,301	33,508	5,424,552	20,105,087
Copper ore, short tons.	.....	16	.....	318
Iron ore, short tons....	141,932	154,243	599,796	697,839
Iron (pig), †short tons.	308,488	53,540	795,009	1,184,120
Total.....			\$27,875,713	\$49,599,036

*Copper in matte form was valued at 20 cents and nickel at 30 cents per pound in 1918. For 1919 the values have been placed at 14 and 25 cents per pound respectively.

†The total output of pig iron from both domestic and imported ore was 446,234 tons, worth \$11,473,499. The figures in the table represent the proportion of Ontario ore smelted.

A large part, \$21,723,323, of the total decrease is due to the curtailed operations of the nickel-copper mines, and a further substantial reduction is shown in silver, indicating that the production of the Cobalt district is declining appreciably, although it is estimated that the output there would have been greater by about \$1,200,000, if the 46 day strike which ended on 9th September had not taken place. This remarkable camp has now produced nearly \$180,000,000 worth of silver. The average price per ounce last year is estimated to have been \$1.094 as against 96.7 cents for 1918. The gold output of the Porcupine and Kirkland Lake mines now amounts to more than one-half the total production of Canada, the figures for 1917 and 1918 being \$8,229,744 and \$7,833,966, as against \$15,272,992 and \$14,696,875 for the whole Dominion. It is estimated that for the year 1919 the output will be \$10,000,000, and this figure will be greatly increased when the mines are able to get more men to enable them to carry out their extensive plans for development work.

The refinery of the International Nickel Company at Port Colborne treated in the first nine months of 1919 7,855 tons of matte, and obtained from this 7,636,292 pounds of metallic nickel and 4,436,101 pounds of blister copper, in addition to 250 ounces of gold, 15,270 ounces of silver and the amounts of the rare metals, platinum and palladium, shown in the tables above. These figures represent, practically, the first output of this refinery, and it is to be noted that those in the table above are affected thereby, the metallic nickel and copper produced at the refinery being shown separately from the nickel and copper in matte.

During the past two winters logging operations were considerably curtailed owing to a shortage of labour, and last year this condition was aggravated by the influenza epidemic, with the result that the supply of logs was much diminished. In consequence of this it would appear that

the Ottawa Valley mills will be late in commencing their cut next spring. Costs continue to increase, but as prices for lumber are expected to remain strong, and as the supply of labour has improved, operators are going into the woods on a considerably larger scale than for some years past. Complete statistics covering the cut of lumber for Ontario are not available, but the following figures for the output in the Ottawa Valley will serve to show the trend in this business:

1914.....	455,615,783 feet
1915.....	476,230,108 "
1916 say.....	450,000,000 "
1917 ".....	411,000,000 "
1918 ".....	350,000,000 "
1919 ".....	275,000,000 "

Before the war the annual cut in that district would approximate 500,000,000 feet.

Following the Armistice the lumber trade was dull for about six months, prices weakened and the volume of business was not satisfactory. Much building was then started to meet the demand for houses, and this created an active demand for lumber, followed by a sharp advance in prices. Retail dealers in the country are reported to be understocked. The United States market is good, but this has been interfered with by the situation with respect to cars. It appears that the number of Canadian owned cars in the United States has been greatly in excess of the number of United States cars on this side, and owing to the delay in having cars returned to Canada it has been impracticable to furnish more cars for shipments to the United States. The export trade has not been a large factor in the year's business in Ontario, owing to a shortage of ocean space and high freight rates, but buyers abroad are in the market for lumber, and they will no doubt be an important factor when shipping is more normal.

The adverse conditions and high costs to which we have referred above, in connection with lumbering, apply equally

to the paper business. No figures are available as to the total output, but it is estimated that the volume of production has been fairly closely in line with that of 1918. The controversy between the manufacturers and the Government with respect to the price of paper supplies for Canadian newspapers has continued, but an adjustment has recently been made by which it has been fixed at eighty dollars per ton, effective 1st January. The industry continues to expand, and in view of the great shortage of newsprint in the United States and the depletion of wood supplies there, it may confidently be expected that it will grow for some time to come.

Owing to the mild winter of 1917 and 1918 navigation on the Great Lakes opened early and the season for Canadian vessel owners has been a successful one. As ocean freight rates continue high, no Canadian boats temporarily transferred to ocean service have been turned back, and the tonnage employed has remained about the same as last year. It is estimated that the amount of new construction on the Great Lakes during the year is roughly 69,000 tons, and as some of the yards have almost completed their contracts, a falling off will now take place unless further orders can be secured.

The figures given below as to the tonnage passing through the canals at the Sault for the twelve months ending 31st October 1918 and 1919 show a considerable reduction for the current year. This, however, is entirely due to a decrease in iron ore shipments.

<i>Canadian Canal</i>	1919	1918
Freight.....	3,781,302	12,069,880
Vessels.....	5,938,633	8,950,684
<i>American Canal</i>		
Freight.....	58,826,216	64,829,372
Vessels.....	39,946,487	45,723,252
<i>Both Canals</i>		
Freight.....	62,607,518	76,899,252
Vessels.....	45,885,120	54,673,936

Some attention was given in our report of last year to the movement for the improvement of our system of roads, and as it is felt that this is a feature of great importance to the well-being of the country, it is gratifying to report that the Provincial Government is showing marked interest therein. We are advised that all counties have now adopted systems of county roads, and that these aggregate 9,900 miles. Of this amount 2,100 miles are provincial county roads, to which the province will contribute sixty per cent. for construction and maintenance. For the remaining mileage the contribution up to the present time has been forty per cent. for construction and twenty per cent. for maintenance, but in future the allowance will be forty per cent. in both respects. The expenditure on county roads approved in 1918 was as follows:—

	Construction	Government 60%	Maintenance	Government 60%
Provincial county roads.	\$ 56,004.50	\$ 33,602.70	\$155,842.77	\$93,505.65
County roads...	\$1,426,605.80	40% \$570,642.32	\$588,446.61	20% \$117,689.32
Total.....	\$1,482,610.30	\$604,245.02	\$744,289.38	\$211,194.97

It is estimated that during 1919 \$3,700,000 has been expended on construction and \$950,000 on maintenance, of which the total provincial subsidy is expected to be \$2,160,000, or nearly fifty per cent. The Provincial Highway system was extended in 1919 to 422 miles, on which an expenditure of approximately \$1,100,000 was made. The expenditure on township roads in 1918 amounted to \$1,750,776, but the figures for 1919 are not yet available.

The extent of the work done on highways has been more or less limited by the amount of labour which could be obtained, but with a return to more normal conditions, and with the assistance which will be received by the provinces from the Federal Government by way of a contribution of

forty per cent. of the cost,—for which an appropriation of \$20,000,000, to be spread over a period of five years, has been made—it is expected that the coming spring and summer will see greater activity. Of the amount mentioned \$6,000,000 has been allocated to Ontario. In a thickly settled country like Ontario, where good roads are available, motor trucks can undoubtedly be economically used to take goods to markets, and it is highly important that we should be well equipped to take advantage of every form of transportation. As an indication of the value of good highways we are advised that the truck traffic on the Toronto-Hamilton highway, which prior to this year was confined to places no farther away than Niagara Falls and Brantford, now reaches to London in the west and to Rochester in New York State.

We regret to have to record that the production of the gas wells of the province is gradually declining, and it is to be hoped that fresh sources of supply will be found, but the outlook for this industry is not bright at present.

The development of power by the Hydro Electric Commission was dealt with at some length in our report of last year, and the plans of that body have been further extended during the year. Work is being pushed on the Chippewa-Queenston Canal, and although progress was somewhat retarded by a strike in the early part of the year, it is hoped that the project will be completed by the end of 1921, when 300,000 horse power will be developed. This will ultimately be enlarged to 900,000 horse power. Extensive operations are also being undertaken on the Nipigon River near Port Arthur, and smaller plants are being built at other points.

Work on the new Welland ship canal, which was closed down in December, 1917, was resumed in the spring, and the Government appropriation of \$3,500,000 in this connection has been largely expended. The operations were carried out on the basis of cost plus eight per cent., but it is

expected that next year contracts will be called for as formerly.

The building trade which has been quiet for some years past has, particularly during the latter part of the year, become extremely active. For some time, owing to high prices and the uncertainty as to what would happen when the war ended, people hesitated to make outlays on buildings. However, with the return of the soldiers, many of whom have married, and with the continued influx to the cities, the need for houses became more pressing, and the idea that high prices would last for sometime at least having become more fixed, a great rush to erect residences commenced and still continues. This work is being carried out partly by the Government Housing Commission and partly by private enterprise. Notwithstanding what has been done so far, the lack of accommodation at a number of places—more especially those near the United States border, where numbers of new industries have been established—is still greatly felt, and it will be some time before the requirements are fully met. In this connection it is interesting to note that the tendency of the young men from the country to crowd into the towns and cities has to some extent a cumulative effect, as the older farmers are left without the assistance of their sons, and being unable to hire labour and finding the work too much alone, are selling or renting their properties and moving into the towns.

The violent disturbance in business conditions which many feared would come with the cessation of hostilities did not materialize to any marked extent. Apart from a somewhat dull period in some lines early in the year, caused by uncertainty as to the outlook and by the necessity for a change to a peace basis on the part of plants engaged in war work, business has been very satisfactory, and as nearly all industries have large orders on hand the outlook for the future is favourable. Wholesalers and retailers

report a large turnover, and it is worthy of note that the demand for goods which were formerly considered luxuries is very marked. Prices for all goods are high and there are no indications of a decrease in sight. Manufacturing establishments have, with some few exceptions, been placed on a peace footing, and as already indicated the change has been effected without any serious difficulty. Manufacturers of woollen goods have been busy, partly due to an order for Roumania arranged by the Canadian Trade Commission. The furniture trade, which languished during the early years of the war, is again active and factories are all fully employed. It is a sign of the times that makers of motor cars are, as a rule, unable to keep up with their orders, and sales are only limited by the capacity of their plants and the difficulty of getting material. The remarkable development of this industry is shown by the increase in registrations in Canada from 2,100 in 1907 to 262,291 in 1918. It is noteworthy that the greater part of the increase has been during the years of the war, the figures for 1915 to 1918 being 87,673, 120,318, 199,302 and 262,291 respectively. Except for isolated strikes there has not been much disturbance among labour, and little trouble has been experienced in getting a full supply of hands, but employers report a lack of efficiency due to the general restlessness.

The province has continued to benefit during the past year by the establishment of a large number of branches of United States manufacturing concerns, and many enquiries are being received from other companies which are desirous of obtaining suitable locations.

The financial strength of Ontario has again been demonstrated by subscriptions of over \$354,000,000 to the recent War Loan, out of a total of \$673,000,000 for the whole of Canada. The satisfactory conditions and activity which have prevailed in every direction are shown by the almost complete absence of failures, greatly

increased clearing figures, the favourable way in which collections have been met, the high percentage of tax payments, and the heavy liquidation of farm mortgages. Extensive purchases of motor cars and jewellery indicate that there is a marked tendency towards extravagance, and give rise to the question how long the present high tension will last, but the indications are that unless there is a collapse in world affairs the province will continue to enjoy prosperity in the coming year.

MANITOBA, SASKATCHEWAN AND ALBERTA

The season of 1919 will go on record as the most disappointing in many years. As we stated in our report a year ago, the season of 1918 closed with little or no moisture in the soil throughout very large areas of Saskatchewan and Alberta, and as then pointed out, hopes of a satisfactory crop in 1919 were dependent upon the summer rainfall being extraordinarily favourable in quantity and distribution. Unfortunately, these hopes were not realized. The season opened with early rains, and the resulting surface moisture gave the crop an excellent start. An early heat wave, however, very rapidly dried up the ground, and in the greater part of Alberta and the westerly two-thirds of Saskatchewan this was followed by almost complete drought, which continued throughout the summer, the southern districts suffering more severely than those in the north. Manitoba and the adjoining strip of eastern Saskatchewan, as well as parts of northern and central Alberta, were much more fortunate in the matter of summer rainfall. In Manitoba, however, rust intervened and materially injured what up to harvest time promised to be a good crop. This was followed by the additional misfortune of a wet threshing season, which caused a good deal of sprouting and a reduction in grades.

The acreage under cultivation was large, when compared with that of previous seasons. The figures are given below:

1915.....	21,382,700 acres.
1916.....	19,553,172 "
1917.....	23,963,766 "
1918.....	28,272,753 "
1919.....	28,859,334 "

As a result, notwithstanding that the weather conditions were probably the worst experienced for many years, the total figures of the harvest were not inconsiderable, as will be seen from the following table:

	Wheat	Oats (Bushels)	Barley	Flax
1913.....	181,900,000	224,270,000	51,161,000	14,093,000
1914.....	140,031,000	162,460,000	35,763,000	4,000,000
1915.....	376,448,000	339,000,000	59,692,000	4,250,000
1916.....	214,289,000	282,987,000	43,240,000	6,430,000
1917.....	189,655,000	217,377,000	48,265,000	4,209,000
1918.....	163,673,000	229,313,000	47,299,000	5,463,000
*1919.....	170,545,000	279,932,000	49,304,000	6,301,000

*Estimated.

The final misfortune of the season was an unusually early "freeze-up," as a consequence of which very little fall plowing was accomplished, except in the southern portion of Alberta. The farmers, therefore, must enter the season of 1920 under the necessity of doing an abnormal amount of work in the spring. If this results in a considerable reduction of the acreage seeded, and a corresponding increase in the amount of land put under summer fallow, it may prove in the end a not unmixed evil. It is a satisfaction, however, to be able to report that, in the vital factor of soil moisture, conditions at the close of 1919, over the greater portion of the country, were as a result of copious fall rains, vastly better than at the end of either of the two preceding seasons. In part of southwestern Saskatchewan the soil moisture is again deficient, but everywhere else, except in small scattered districts, it is reported as varying from "sufficient" to "abundant."

The live stock industry has also suffered over most of the country from the results of the drought; and the early setting in of winter, heralded by a rather severe blizzard, greatly added to the trials of the stock-men. These conditions forced a great many farmers and ranchers to reduce their holdings of stock, many animals being rushed to market, which would otherwise have been carried over and finished next season. Many ranchers in the south have again been forced to incur the heavy expense of moving stock to the northern districts where feed is available. While there are many districts in which the live stock is generally of good quality, there are many others in which there is an urgent necessity for raising a better quality of stock. This is a condition which is gradually being rectified, but the process is a disappointingly slow one. Notwithstanding the unfavourable season the estimated holdings of live stock of the western farmers show a slight increase, except in the case of hogs. The figures in comparison with those of previous years are as follows:

	1919	1918	1917	1916
Cattle.....	3,745,380	3,576,600	3,415,487	2,194,563
Horses.....	2,272,700	2,184,300	2,025,996	1,443,186
Hogs.....	1,139,770	1,444,920	1,679,772	1,078,435
Sheep.....	678,580	663,870	551,634	305,283

The figures of the receipts at the Winnipeg stock-yards during the last four years are:

	1919	1918	1917	1916
		(Twelve months ending October)		
Cattle.....	348,878	307,239	253,436	148,541
Hogs.....	323,793	359,702	333,151	328,819
Horses.....	5,725	8,331	13,602	10,685
Sheep.....	49,520	33,458	23,173	19,405

The considerable increase in the receipts of cattle is not altogether a matter for gratification, since to an appreciable extent it represents premature sales caused by unsatisfactory feed conditions. These conditions are also responsible for a very large increase in the number of "feeders"

shipped to the United States, as shown by the following figures:

	1919	1918	1917	1916
Shipments west.....	28,348	46,194	37,824	21,608
Shipments east.....	5,532	18,501	12,559	678
Shipments south.....	33,880	64,695	50,383	22,286
	89,567	34,558	19,616	24,149

The estimated production of bituminous and lignite coal in the Alberta mines shows a marked falling off from the figures of 1918, largely due to strikes. The comparative figures of the total output for the past five years are as follows:

1915.....	3,434,891 tons
1916.....	4,648,604 "
1917.....	4,750,000 "
1918.....	6,148,000 "
1919 (estimated).....	5,000,000 "

Plans for the erection of a lignite briquette plant by the Dominion Government and the Governments of Manitoba and Saskatchewan, to which reference was made in our report of last year, are now nearing completion. It is announced that the erection of the plant will be commenced in the spring, and that it is expected to be ready for operation in August next. While the capacity of the plant—which is to cost \$400,000—is placed at only 30,000 tons of briquettes per annum, if the expectations regarding the quality of the briquettes and the cost of production are borne out by the results, an extensive development of the industry should be assured, with enormous benefit to the people of the prairie provinces. The heating value of the briquettes is said to be almost equal to that of anthracite coal, and the price at which it can be placed on the market is conservatively estimated at from \$5 to \$6 per ton less than the present cost of anthracite in Manitoba, with a considerably greater saving in Saskatchewan and Alberta.

The total cut of spruce lumber was somewhat less than the highest figures reached during the past five years, but the saw-mills have had a very satisfactory year. A strong demand for lumber, particularly for farm use, with a pronounced upward trend in prices, has prevailed throughout the past summer, and the winter sets in with saw-mill stocks almost sold out. Two of the largest mills, hitherto contributing about one-quarter of the total annual production of spruce lumber, were shut down permanently at the end of last season owing to the exhaustion of their timber supplies. The remaining mills, however, are planning for a rather larger cut than last season. The figures of the cut for five years are as follows:

	Quantity	Value
1914-5.....	123,196,000 ft.	\$1,674,000
1915-6.....	160,336,000 "	2,304,000
1916-7.....	216,446,000 "	3,679,000
1917-8.....	193,859,000 "	3,875,000
1918-9.....	194,357,000 "	4,470,000

In the mineral areas of northern Manitoba the summer of 1919 may be described as a season of prospecting, and not of mining. Among those best informed as to the discoveries made thus far, confidence is growing both as to the wide extent of the mineralised areas and their commercial value. The finds up to the present are of the three following types:

1. Quartz veins carrying gold.
2. Copper sulphides, either in stringers in quartz or disseminated in the greenstone.
3. Iron sulphide dykes, with low values in copper, nickel, gold and occasionally platinum.

It appears to be proved beyond room for question that the copper deposits are of enormous value. As to the gold deposits, all that need be said at present is that there have been numerous discoveries, and some development work; in the country north of The Pas, but the most

important development work is taking place not in The Pas country—but over 300 miles away, at Rice Lake, within 100 miles of the City of Winnipeg, and to the east of Lake Winnipeg. With numerous gold findings throughout so large an area, it would be astonishing if some very valuable discoveries should not be made sooner or later; and with the construction of a comparatively small railway mileage—which cannot be much longer deferred—it may well be that before many years the Province of Manitoba will rival Ontario in the production of mineral wealth.

BRITISH COLUMBIA

Business during 1919 has been extremely satisfactory, both wholesale and retail merchants reporting increased turnovers and exceptionally good collections. Profits have improved, in spite of higher costs, and stocks have been kept as low as possible, considering the distance from the source of supply and the difficulties of replacement. It is to be regretted that economy in personal expenditure does not prevail to the extent that would be wise, in view of the high cost of living and of future contingencies: for instance, sales of automobiles have never been larger, and would have been greater still had the supply been equal to the demand. People, who in pre-war days never dreamed that they could become the owners of such a luxury, now have cars, and those not of the cheapest grade. Wages have never been higher since the days when British Columbia was in its infancy; labour is in good demand, and there is little unemployment on the part of those who are willing, and able, to work; labouring men never lived better, but at the same time strikes and unrest have been all too prevalent. It is gratifying to know that taxes have been better paid even than in 1918, which showed considerable improvement in this respect over

1917, and the finances of almost every municipality have been brought into better shape.

A further index to the financial condition of the people is afforded by the results of the last Victory Loan campaign. There was at first much doubt as to whether the objective of \$25,000,000 would be reached, but the subscriptions reached a total of \$37,098,000, and when we consider that the population of the province is only a little over 400,000, the aggregate subscription of \$91,600,000 to the three Victory Loans is distinctly surprising. The per capita subscription of about \$91 to the last loan is the third largest of all the provinces, and while British Columbia ranks seventh in population, the total amount of her subscription to the 1919 loan ranks fourth.

Real estate has been more active than at any time during the past five years, and many farms in those districts suitable for agriculture have changed hands—in some cases at prices regrettably above their real value. Houses of the more moderate class have sold well in every town and city, and from all parts of the province reports are uniform that would-be tenants cannot procure houses, with the result that rentals are rapidly increasing. In spite of the excessive cost of labour and of materials, there has been a fair amount of new building. Only a limited number have availed themselves of the Government plan for providing housing accommodation, and present conditions must perforce cause further activity in building.

Pacific coast exports and imports for the year ending 31st March, 1919, show substantial increases over those of each of the two previous years.

Reports from agricultural sections vary considerably, but grain and hay crops generally suffered from the cold and unusually wet spring, which was followed by drought later in the season. The province contains 248,488,000 acres, of which 22,618,000 acres are arable, and of these

only 366,000 acres are under cultivation. The value of the agricultural products is estimated at \$56,000,000 for 1919, an increase of approximately \$6,000,000 over the figures of 1918. A smaller yield per acre in 1919 was offset by the larger area cultivated. Several schemes are now in progress for the reclamation of large areas, such as that at Sumas within fifty miles of Vancouver, in the Columbia River district, and the flats of the Kootenay River east of Nelson. Farmers on irrigated lands in the dry belt have met with almost uniform success. In the interior the hay crop has been somewhat short, but at the coast it has been equal to or above the average. The high prices prevailing for roots have almost compensated for the shortness of the crop. In the Okanagan the tobacco crop has been the largest in the history of the district, double that of 1918.

In the northern section of the province cattle raising is yearly becoming more important, and is expected to show great improvement after the completion of the railway to the Peace River country. Prices are at present one to one and a half cents per pound less than at the same date in 1918, although the record price of $14\frac{1}{2}$ cents was offered in the spring. Shipments are now about normal, but cattle raisers are not anxious to sell, as they are looking for better prices and are able to carry their holdings. The wool clip was about 20 per cent. below that of 1918. The selling price of hogs is now $16\frac{1}{4}$ cents per pound live weight, or about 3 cents below that of a year ago. No estimate of the figures of dairy produce is available, but reports indicate increases in every important district. As dairy products to the value of \$4,000,000 are annually brought into the province, a large measure of extension is possible.

It is estimated that the value of the fruit crop was \$6,455,180, of which apples from the Okanagan and adjacent districts account for probably three-quarters. The

output would have been even greater but for early frosts. Prices exceeded those of the previous year, and although transportation has been unsatisfactory and the prairie market has been affected by the cost of sugar, the profits of the growers have been very much greater than in 1918. Marketing conditions have improved considerably, and the demand is steadily becoming broader. From points even so far east as Hamilton, buyers are seeking for our fruits for preserving, and representatives from Great Britain are enquiring for the larger kinds. The transportation companies have rather failed the growers, naturally causing a measure of loss and very serious discouragement. The most optimistic grower will become disheartened, if after working hard for months and being favoured by weather conditions, he finds that the fruit is becoming unmarketable and rotting on his hands for lack of transportation facilities. Measures must certainly be taken to enlarge the equipment of both producers and packers to enable them to cope, not only with existing requirements, but with the increased output which may reasonably be expected. The difficulty in securing labour has been fairly well overcome, partly by the employment of women, but unless greater care is taken in providing proper housing, the supply may be seriously diminished.

The Land Settlement Board of the province has been actively employed in placing soldiers upon lands set apart for this purpose, of which about 131,000 acres have been secured largely by expropriation. Some 15,000 acres will thus be thrown open in the spring in various parts of the province.

The figures, showing the production of the mines during 1919, are not yet available, but that of the metalliferous mines in 1918 reached \$27,910,278. In that year the production of gold by lode mining showed an increase, and that from placer mining a decrease. The production of silver increased, and the price also increased from 77 cents to 92

cents during the twelve months. Copper increased in value but not in quantity, and the production of zinc was almost stationary, though about 9 per cent. less in value than in 1917. It is expected that about 2,456,000 long tons of coal will be produced in 1919, or approximately the same amount as in 1918, and this, in spite of a strike in the Crow's Nest district, lasting for three months, and a lessened demand for coke. At present the demand for coal exceeds the supply, and at one mine the price of lump coal at the chute has risen from \$4.50 per ton, paid in 1917, to \$7, other grades advancing in proportion. The cost of production during the same period has increased about 75 per cent. Copper is the most important product of the mine in this province, in which are operating the three largest copper companies in the British Empire. The production of this metal from 1852 to 1918 inclusive was valued at \$145,741,069, one-third of which has been mined within the last three years. For 1919 the estimate is 50,761,662 lb., valued at \$9,517,811, as compared with 61,483,754 lb., valued at \$15,143,449, in 1918. Prices have ranged during the twelve months from 14.8 cents per pound to 22.3 cents per pound, the lower figure prevailing shortly after the Armistice, prior to which it had been fixed at 26 cents. Large stocks were then held by the Allied Governments, and it was necessary that they should be absorbed before the demand could again become active; this occurred between the months of May and August and a sharp increase in price followed. The Boundary district, from which an important part of our copper output came for many years, has for the present almost ceased to produce, owing to the two large companies having practically exhausted their holdings in that district, and the copper now comes mainly from the mines at the coast, though it is expected that during 1920 one large company which formerly operated in the Boundary section will recommence production in the Similkameen district. A new

process is said to have been evolved whereby copper ore carrying values of one-half of one per cent. can be successfully treated, and with this in view the construction of a very large concentrator will be put in hand forthwith and thereby the life of many mines should be materially prolonged.

Railway construction has been steadily in progress. The Pacific Great Eastern Railway is now in operation for 180 miles, and it is expected that trains will be running to Williams Lake, about the centre of the Cariboo district, before June, 1920, as a result of which considerable development is expected. It is then intended to continue the line to Prince George, on the Grand Trunk Pacific Railway, which it is hoped to reach by the close of 1920. The Canadian National Railway is under construction between Kamloops and Vernon and between Victoria and Alberni on Vancouver Island; and the Canadian Pacific Railway Company is extending its rails on the west coast of Vancouver Island to the Great Central Lakes.

The salmon pack of 1919 was 1,393,156 cases, as compared with 1,616,157 cases in 1918, and it is gratifying to note that the catch of sockeyes—the most valuable grade—exceeded that of the preceding year by 92,986 cases, largely due to the results in the Skeena River. The Fraser River, which was formerly the most productive fishing ground for this species, has again proved a failure, yielding only 29,000 cases—as against 16,849 cases the year before. Salmon production on this river has almost ceased to exist, and this condition is likely to continue until the river has been abandoned as a fishing ground for several years. Measures of this kind can, however, only be taken in concert with the American authorities, through whose waters the fish pass on their way to the spawning grounds. To this end the International Fisheries Commission has made valuable recommendations, but the result is extremely doubtful, because of the continued opposition of the State of Wash-

ington to any restrictive measures. Below will be found a statement showing the pack of the last two years:

	1919	1918
Sockeyes.....	369,445 lbs.	276,459 lbs.
Springs.....	100,551 "	107,354 "
Cohoes.....	175,670 "	191,068 "
Pinks.....	346,639 "	527,745 "
Chums.....	372,035 "	497,615 "
Other classes.....	28,816 "	15,916 "
	1,393,156 lbs.	1,616,157 lbs.

The Canadian Government has announced some new regulations opening the fishing grounds of the province more widely, and these are now under discussion by the packers, who have expressed themselves as being unalterably opposed to them, claiming that if enforced the inevitable result will be the destruction of the salmon-fishing industry on this coast. Markets have been strong, excepting for chums, the lowest grade of fish, which are now quoted from 75 cents to \$1.75 per case below the figures of the previous year; at the same time it is expected that by the time this report is in print the situation will have changed to some extent, and that higher prices will prevail. The market for sockeyes is mainly in Great Britain and Canada, and the price has ruled about \$1 per case higher than in 1918. Other grades show a similar increase in price, and almost the entire pack, except the chums, has been sold. Operating costs have again been higher, but canners have had a good year, profits being probably slightly lower than those of 1918. The halibut catch has again fallen off, but it has recently been announced that the Governments concerned have reached an agreement under which restrictive measures will be adopted to prevent the depletion of the supply of this fish, a result which has yearly become more probable. Flat fish are steadily growing in demand, and gradually replacing the halibut, because of the high price of the latter. The herring catch was below that of 1918, as the product of the Atlantic fisheries has encroached

on the market, and the demand in Australia has become weak in consequence of the large stocks on hand; on the other hand the domestic demand has somewhat increased. Whaling on the Coast is in the hands of two concerns, and the catch of 1,145 whales exceeds by 50 that of 1918. The demand for the product is good, but operating costs have been somewhat heavier. The value of all the fish products of this province for 1918 is placed at \$21,518,000, and ranks first in the Dominion, the industry employing over 20,000 people and involving an investment of about \$15,000,000.

The lumber market, which showed signs of weakness in 1918, developed greater strength during 1919 than has prevailed for many years. The average price was \$3 to \$5 per 1,000 feet higher than in 1918, and prices are now the highest on record, \$34 for fir, with cedar bringing almost any price that may be asked. Shingles have sold readily at figures nearly double those of last year, and the log market has been equally firm, at \$13 to \$24 for fir, and \$30 for cedar. Labour has been more easily procurable in the interior than at the coast, but difficulty has been caused by strikes. In spite of all these disadvantages, and the shortage of cars, profits have been excellent. There is now a much more active enquiry for standing timber than has prevailed for many years, \$3 per 1,000 feet being asked for conveniently situated limits, a marked increase over the price of 50 cents per 1,000 feet which prevailed twenty years ago. Below we give the figures for the production of the coast and mountain mills for the first nine months of 1918 and an estimate for the corresponding period of 1919:

	1919	1918
Coast mills.....	733,000,000 ft.	642,000,000 ft.
Mountain mills.....	184,000,000 "	230,000,000 "
	917,000,000 ft.	872,000,000 ft.

The stocks on hand at 30th September last were 252,000,000 feet, a reduction of 85,000,000 feet as compared with the same date in 1918, but the latter figures included 35,000,000 feet of spruce cut for aeroplanes on the Queen Charlotte Islands. The export business is showing distinct signs of improvement and manufacturers are exhibiting more interest in this market, in which further development is likely to take place when shipping is available. Last year a considerable impetus was given to exports by a British Government order for 70,000,000 feet; the demand from the United States has also been extremely strong, and is likely to continue. The production of pulp and paper is increasing rapidly, the total value reaching \$15,000,000, a gain of \$5,000,000 during the year. The production of news print for nine months to 30th September was 132,496 tons, valued at \$8,364,000, as compared with 105,890 tons, valued at \$6,895,000, for the twelve months of 1918. Of kraft paper about twenty tons daily are produced, valued at about \$800,000 per annum. About 200 tons of pulp are produced daily, valued at \$4,600,000 per annum; the demand is strong and prices are extremely firm. This pulp goes principally to the Orient, where a permanent market appears to exist, as the Japanese production is limited by the lack of suitable timber.

The tonnage, inwards and outwards, which has passed through the port of Vancouver for the two years ending 31st October has been as follows:

Seagoing vessels:	No.	Tons.
1918.....	2,674	3,247,003
1919.....	2,728	3,029,610
Coasting vessels:		
1918.....	20,335	7,599,434
1919.....	19,474	7,181,940

The reduction has been due mainly to a lessened demand for products needed during the war, and especially for aeroplane lumber. New vessels are to be put upon the

ocean routes by the Canadian Pacific Railway Company, and on the coastwise routes by the Union Steamship Company and the Canadian National Railway. Trade, both inward and outward, has been variable. Russia is now in too unsettled a condition to admit of any trading, but an active business is expected when conditions have become reasonably settled. A comprehensive scheme is now contemplated by the Government for the enlargement and improvement of the port of Vancouver, and a large dry-dock will be constructed at Esquimalt, near Victoria. It is possible that a second one may be constructed by private enterprise at Burrard Inlet, Vancouver.

The population of the province is believed to have increased, as is evidenced by the difficulty in providing housing accommodation. The immigration figures for the twelve months ending 31st March, 1919, show an increase of about 60 per cent. over those of 1918.

THE YUKON

It is satisfactory to note that there has been no material reduction during the year in the population of this district, and it is expected that this year, through the return of prospectors, the conditions which prevailed before the war may be restored to some extent. Business conditions have been reasonably satisfactory; about the same amount of freight has been carried by the railroad and its subsidiary navigation company as in 1918, but the passenger traffic shows some reduction. The production of furs is estimated to be worth about \$500,000. The production of gold has dropped from \$2,457,364 in 1918 to \$1,684,048, largely because of a reduction in the number of mines operated, and in some cases because of a lack of capital. Only 1,000 tons of coal were mined in 1919 as compared with 3,000 tons in 1918. Of copper ore 1,147 tons were shipped in 1919, all from the district adjoining White Horse, as compared with 3,057 tons in 1918.

UNITED STATES

I

At the beginning of the present year the general business outlook was characterized by much uncertainty as to the probable effect of the readjustments which were then taking place, as the inevitable consequence of the transition of the country from a war to a peace basis. Immediately after the signing of the Armistice the Government had largely discontinued its purchases of munitions of all descriptions, and it was known that in Government stores there were large accumulations of supplies of various kinds which would sooner or later be put upon the market. The citizen army was on the point of being demobilized and several million men were about to be released to resume their ordinary pursuits. War industries had been slowed down, and the energies of the nation were being slowly diverted from the strenuous but unproductive task of prosecuting the war into their regular commercial channels. Government contracts for munitions of war were being cancelled freely and restrictions on the movement of raw materials were being removed. By many people an early all round decline in prices was anticipated, and for the first two or three months of the year the general tendency was to pursue a cautious business policy pending the stabilization of prices. As one result of war profits, the country's industries, as a rule, emerged from their war activities with strong reserves, and in excellent shape to stand any strain to which they might be subjected during the period of readjustment, and the fear of a severe general slump in prices very soon proved to be groundless. In consequence of the high wages which had prevailed for some time, and the prosperity of the agricultural classes, the volume of retail trade was relatively heavy throughout the winter, necessitating the wholesale replenishing in the early spring of retail

stocks which had been allowed to run low. The demand for American foodstuffs from the war-stricken peoples of Europe, added to home requirements, caused a steady strain on available stocks, with the result that prices stiffened; and this, with the steady call for all other staple commodities both for home consumption and export purposes, proved that the demand for almost all the country's products far exceeded the supply. The pessimism which prevailed at the beginning of the year soon vanished, and notwithstanding the serious labour disturbances which have taken place during the year, the country's trade, both foreign and domestic, has far exceeded all previous records. For ten months past, from almost every district, reports have come to the effect that despite the high level of prices people are spending money with intensified freedom, a specially significant feature being the largely increased business that has been done in articles of luxury, such as automobiles, jewellery and high-priced clothing.

The remarkable business activity which the country has experienced during the year is indicated by the huge totals to which bank clearings have grown. For the period from 1st January to 29th November bank clearings for the whole country totalled \$375,154,668,315, as against \$301,545,009,346 for the corresponding period of 1918. Further evidence of increased activity is to be found in the record of banking transactions now being compiled by the Federal Reserve Board, according to which the aggregate debits to individual accounts at over 150 clearing house centres for the nine weeks ended 22nd October last amounted to \$76,526,276,000, as compared with \$57,926,531,000 for the corresponding period in 1918. Under these favourable conditions it is not surprising to find that the number of failures recorded so far this year is the lowest in over twenty years. According to Bradstreet's the total number of failures in the first ten months of 1919 was 4,726, with aggregate liabilities of \$98,041,226, as

compared with 8,261 failures, with total liabilities of \$118,373,638, in the corresponding months of 1918.

Building operations, which during the course of the war were greatly restricted by the shortage of labour and materials, and the diversion of funds ordinarily invested in mortgages to other purposes, have been resumed on a greatly increased scale under the urgent need for increased housing accommodations, although such operations are still considerably below the normal. It is estimated that in the City of New York alone between 35,000 and 40,000 families are without adequate house accommodation, and that the structural industry must be operated on a basis of 20 per cent. above normal for about five years to make up the shortage.

The country's foreign trade, to the enormous development of which, since the war began, attention has been directed in previous reports, has grown during the past year to unprecedented proportions. The needs of Europe for almost everything produced by the United States, and the temporary absence of formerly aggressive competitors in many other of the world's markets, have combined to place the United States with its vast resources in an incomparable position in the world of foreign trade. The following comparative figures of the country's exports and imports will serve to indicate the extent of this expansion:

	1919 (11 Mos.)	1918 (11 Mos.)	Average 1910-1914
Exports.....	\$7,242,000,000	\$5,585,000,000	\$1,954,574,000
Imports.....	3,528,000,000	2,821,000,000	1,553,174,000
Excess of Exports...	3,714,000,000	2,764,000,000	401,400,000

That the country is fully alive to the opportunities which are before it to retain, and still further develop, its foreign trade, is shown by the consideration which is being devoted to the problems relating thereto, by the steps which are mooted and have been taken to finance and to facilitate trade with those countries which are handicapped by

adverse exchange rates, and by the rapid increase in the number of branches established by American banks in those foreign cities where trade possibilities are greatest. The greater degree of interest which has also been evinced in the formation of export associations under the Webb-Pomerene law, for the purpose of promoting and facilitating trade with foreign countries, is also an indication of the increasing attention which foreign commerce is attracting.

The manner in which the rapidly growing balance in favour of the United States is ultimately to be liquidated by foreign countries is now the foremost problem affecting foreign trade. Since the entry of the United States into the war the purchases of the allied nations in the United States have been financed mainly by government credits, but as the Acts of Congress authorizing these credits placed the total limit at \$10,000,000,000, and all but a comparatively small portion of this amount has been granted and already spent in the United States, no further direct Government aid is likely to be forthcoming. It is, therefore, obvious that if the country's export trade is to be maintained at anything approaching the high figure which has ruled for some time past, and if European countries are to be supplied with the foodstuffs, raw products and industrial equipment that are so urgently required for their rehabilitation, an adequate system for continuing the granting of credits will have to be found, until such time as the industries of these countries have been restored, and payment for their purchases can be effected, as they ultimately must be, in goods. The subject has been discussed at great length during the past few months, but while several loans and credits have been granted by private syndicates, no comprehensive or practical plan for dealing with the situation has yet been put into operation. During the year an acceptance credit of \$50,000,000 was granted by a syndicate of American banks to a consortium of Belgian bankers for the purpose of financing purchases in the

United States, and a similar credit amounting to \$6,300,000 was granted to Czecho-Slovakia. In addition to these, the Swedish Government placed a loan of \$25,000,000 and Switzerland one of \$30,000,000, the latter being partly for refunding purposes. More recently a loan of \$250,000,000 has been floated by the United Kingdom through New York bankers. Messrs. J. P. Morgan & Company have also continued to make periodical issues of British Government treasury bills, and for several months they have also issued French treasury bills, the aggregate amount of which actually outstanding in this country has not been disclosed. The steadying effect of these and other loans of lesser importance, however, has been of only a temporary nature. The War Finance Corporation, to the creation of which reference was made in our last annual report, was empowered by Act of Congress in March of this year to make loans, or extend credit, in connection with the promotion and development of foreign commerce, but inasmuch as the Corporation was originally only authorized to afford assistance in cases where the applicant is unable to obtain the funds on reasonable terms through banking channels, and as the burden and risk of carrying foreign credits rests primarily upon the exporter, the activities of the Corporation in this particular direction have been of comparatively little moment. Several plans have been proposed to cope with the problem, but the only one which at the moment seems likely to come to anything is that proposed by the recently enacted Edge Bill, by which the Federal Reserve Act has been amended so as to permit the incorporation of institutions to engage in international and foreign banking, with powers to issue debenture bonds based on foreign securities. While companies will no doubt be formed under the provisions of this Act, it is improbable that they will be large or numerous enough to cope with the magnitude of the problem. Only long-dated credit for large sums will meet the situation, and this cannot be

accorded except by concerted and systematic effort. Increasing attention, however, is being given to the subject, as is instanced by the recent formation of a sub-committee of the Committee on Commerce and Marine of the American Bankers' Association to consider the matter of foreign credits, and the machinery whereby such credits may be created and granted. The heart of the problem lies in developing in the American people the habit of thrift, and in creating an investment demand amongst them for foreign securities, or for the debentures of domestic corporations based on such securities. As, however, extravagance is a deep-rooted characteristic of the people of this country, and as they are not accustomed to foreign investments, the development of such an investment demand can only be accomplished gradually, while on the other hand the situation is one requiring immediate action.

An important factor in the development of the immense foreign trade of the country has been the rapid enlargement of its mercantile marine. In 1914 the gross tonnage of American-owned ocean-going steamships was only 2,027,000 tons, out of a world tonnage of 45,404,000 tons. Causes incidental to the war, however, brought about such a demand for ships, and made the carrying of ocean freight so profitable, that much greater attention was turned to shipbuilding in this country. By the time the United States entered the war the shipbuilding yards of the country had already embarked on an extensive building programme, which the participation of the United States in the conflict greatly stimulated. An ambitious scheme of shipbuilding was engaged in by the Government through the Emergency Fleet Corporation, and has been prosecuted with such vigour, that by the beginning of November last over 1,800 ships had been launched, having a total tonnage of over 8,000,000 tons. The total gross tonnage of American-owned ocean-going steam vessels, according to Lloyds Register of 30th June, 1919, was approximately 9,773,000

tons, or more than one-fifth of the world's ocean steam tonnage of 47,897,000 tons. Time alone can tell whether the American mercantile marine will be able to maintain the place which it now holds in the world's carrying trade, when once the carrying nations of Europe are again in a position to compete seriously for freight.

The foreign trade situation which has been noted above, and the unsatisfactory currency conditions existing abroad, have been reflected in movements of unparalleled violence in foreign exchange rates. In March the British Government withdrew the support by which, through sales of American securities taken over from British holders, through government borrowings in the United States and through shipments of gold, the price of the pound sterling had been held at an arbitrary rate of 4.76-7/16 since 1916. Soon after this action the French and Italian governments also discontinued such control as they had been able to exercise over their respective exchanges. The result was an immediate and severe decline in the values of the currencies of these countries in terms of the dollar, and this downward movement has continued, with occasional more or less unimportant reactions, until at the time of writing the pound stands at a discount of 19½ per cent., and francs and liras at discounts of 49½ per cent. and 59 per cent. respectively. The following table shows the fluctuations in the principal European exchanges as quoted in New York, and the extent of the depreciation from the gold parity at present rates:

	High	Low	4th December	Gold Parity
London.....	4.7656¾	3.85¼	3.91¼	4.8665
Paris.....	5.441½	10.72	10.30	5.1812½
Italy.....	6.35	12.72	12.60	5.1812½
Spain.....	21.00	18.85	19.90	19.3
Switzerland.....	4.78	5.74	5.40	5.1812½
Holland.....	42.81¾	36.375	38.25	40.2
Denmark.....	27.125	19.15	19.15	26.8
Norway.....	28.25	20.90	20.90	26.8
Sweden.....	29.25	21.85	21.85	26.8
Belgium.....	5.60	9.72	9.70	5.1812½

The seriousness of the situation in so far as the United States is concerned lies in its effect upon export trade, since any discount in the value of the currency of a foreign country must increase the cost in that country of goods purchased in the United States. Consequently it serves to discourage the purchase of goods here, and were it not for the fact that the countries whose exchanges have depreciated the most are in such dire need of the commodities which this country alone is in a position to supply, the export trade of the United States would be greatly curtailed. On the other hand, the situation tends to stimulate imports into the United States, and these have steadily increased in recent months, so that to a certain extent it corrects itself. For some time to come, however, the foreign trade balance must continue to run heavily in favour of the United States, limited only by the extent to which the importing countries can obtain credit here with which to pay for such of their purchases as cannot be offset by sales of goods.

In June the United States Government lifted its embargo on gold exports, and also removed the restrictions on dealings in foreign exchange. Since then considerable gold has been shipped to South America, Spain and the Orient in settlement of trade balances. Under normal conditions this would have been more than offset by imports of gold from debtor nations, but as these countries are unable to spare gold, the quantity imported has been comparatively small. For the ten months ended 31st October last gold to the value of \$270,000,000 was exported from the United States, while the imports during that time amounted to \$61,000,000.

Throughout the year there has been a great deal of labour unrest. Strike after strike, first in one industry and then in another, has lessened production considerably, while threats of further strikes on every hand have had a disquieting effect on conditions in general. Unemploy-

ment, of which there was considerable fear during the early months of the year because of the pending demobilization of the army, has been practically negligible, the absorption of returning soldiers having been facilitated by the return of a large number of alien labourers to their native countries; while the absence of any surplus labour in the country has tended to place the workers in an advantageous position to press their demands. With a view to finding some means of causing a cessation of the endless and animated conflict which has been going on between labour and capital, the President recently called a conference composed of three groups, representing labour, capital and the public, respectively; but after discussing for some time the various problems involved, a deadlock ensued between the various groups, resulting in the retirement of the labour group from the conference and the subsequent dismissal of the remaining groups by the President. A new conference is, however, being called, in the hope that some solution will be found for the prevailing unrest. No one denies that many of the wage increases granted during the war were justified in view of the great increase in the cost of living, but it is recognized on the other hand that incessant striking only aggravates the price situation through causing further increases by the decrease in production. The remedy would appear to lie in intensified production, rather than in continuing the process of increasing wages to meet advancing prices, and then raising prices to cover higher wage costs.

The causes of the present high level of prices are complex, but the problem of how the situation can be adjusted and the purchasing power of the dollar restored is now engaging serious attention. The decrease in the purchasing power of the dollar during the war was due in large part to the exigencies of war financing. To enable the Government to finance its part in the war it was necessary to expand and utilize bank credit to an extent beyond

the legitimate needs of trade, which meant that the amount of credit granted in the country very soon increased to an extent out of all proportion to the volume of production, and this had the natural result of depreciating the dollar as a purchasing medium. The present position of the National banks of the country, as compared with the figures of a year ago and those of 1913, serves as an index to the extent of this expansion. The following are the principal items in their statements:

	12th September, 1919	31st August, 1918	9th August, 1913
Total resources...	\$21,615,000,000	\$17,839,502,000	\$10,876,852,000
Individual deposits	13,681,000,000	10,181,739,000	5,761,338,000
Loans.....	11,085,000,000	9,620,402,000	6,168,555,000
Government securities held.....	3,296,000,000	2,116,785,000	790,023,000
Other securities held	1,806,000,000	1,740,845,000	1,040,422,000

These figures, of course, partly reflect the natural business growth of the country, but to a very large extent the increase has been due to war account. The problem now before the country is to reverse the process by which this expansion was brought about, and to take such steps as will insure that as the war borrowings are repaid the resulting funds are turned into legitimate trade channels and not diverted to speculative purposes. In other words, the concern now is to see that productive industry is stimulated in every way possible, and that it is not hindered by the available funds being turned into speculative channels. The extent to which funds, which should properly have been applied to the reduction of borrowings, have been diverted to other purposes during the past year, is indicated by the comparison given below of the position of the combined Federal Reserve Banks on 28th November, 1919, with that on 29th November, 1918:

	28th November, 1919	29th November, 1918
Gold reserve.....	\$2,093,641,000	\$2,065,213,000
Bills discounted and purchased and other productive assets.....	2,709,804,000	2,312,359,000
Gross deposits.....	2,902,825,000	2,404,611,000
Total resources.....	6,230,041,000	5,194,988,000
Federal Reserve notes in actual cir- culation.....	2,852,277,000	2,568,676,000
Ratio of gold reserve to deposits and Federal Reserve notes	45.5%	50.0%

Notwithstanding large repayments to the banks of advances against Government war securities, productive assets, which consist largely of bills discounted secured by such obligations, have increased from \$2,312,359,000 to \$2,709,804,000, indicating the extent to which the member banks have availed themselves of their rediscounting privileges with the Federal Reserve Banks for purposes other than war financing. On the other side of the statement total gross deposits have increased from \$2,404,611,000 to \$2,902,825,000, and Federal Reserve notes in actual circulation from \$2,568,676,000 to \$2,852,277,000, the net result being a decrease from 50 per cent. to 45.5 per cent. in the ratio of the total gold reserve to the liabilities for net deposits and Federal Reserve notes combined. On 29th November, 1917, the ratio of gold reserves to the same items was 63.2 per cent. In short, Federal Reserve funds have indirectly been used for a purpose for which it was never intended that they should be utilized, namely, that of lending strong support to an unprecedented wave of speculation. Particularly is this noticeable in the case of the Federal Reserve Bank of New York, the gold reserves of which had fallen early in November almost to the legal limit of 40 per cent. The Governors of the Federal Reserve Bank of New York have taken due cognizance of the strained position of the central institution, and of the dangers with which the present financial situation is surrounded, and with a view to imposing a check on speculation, after several warnings

had gone unheeded, they increased their discount rates by $\frac{1}{4}$ per cent. to $\frac{3}{4}$ per cent., at the beginning of November, on loans based upon Government obligations and on "fifteen day" advances, however secured. This step is clearly only a preliminary one, and it will assuredly be followed by other steps of the same kind, unless the warning to curb speculation, so conveyed, is duly heeded by such banks as are facilitating speculative operations. That this significant warning is likely to be effective, without further increases in rates, is shown by the sharp break which almost immediately occurred in the prices of industrial stocks on the stock exchange, as the direct result of the selling of stocks for the purpose of liquidating loans. The contraction in stock exchange loans which followed is reported to have been considerable, resulting in a corresponding easing of the situation and in an improvement in the position of the Federal Reserve Banks.

The course of prices of industrial stocks on the New York Stock Exchange for the past year, and a comparison of present prices with those which ruled a year ago, show the extent to which speculation has been carried on. Statistics compiled by the Wall Street Journal show that the daily average price of twenty representative stocks on 3rd November of last year was 119.62, as against an average price of 85.74 on 3rd November, 1918. In some issues, such as the steel and motor stocks, the advances during the year have been most spectacular, one stock in the former group showing an advance of 171 points and one in the latter an advance of 255 points, while the gains in miscellaneous stocks have ranged from 10 to 85 points, and even more. Million share days have been of such frequent occurrence that they now scarcely cause comment, while on one or two occasions the number of shares sold passed 2,000,000. A further measure of the speculative movement that has characterized the year is

to be found in the enormous activity which has been shown in the formation of new companies. In the nine months ended 30th September, charters were granted in the principal States for new companies capitalized at over \$10,000,000,000, as compared with a total of approximately \$2,300,000,000 for the same period of 1918. The total capitalization of new companies formed during 1913, the year immediately preceding the war, was only \$1,500,000,000.

In contrast to the extraordinary advances which have taken place in the prices of industrial stocks, it is interesting to note the present position of the railroad stocks as compared with a year ago. On 3rd November last the average price of twenty representative common railroad stocks was 79.90, as compared with an average of 89.71 for the same stocks a year before. The unpopularity of the railroad stocks during the past year, however, has been due solely to the present unsatisfactory position of the roads under Government control, and the uncertainty which surrounds their future.

The railroad problem is one of the most perplexing with which the United States is at present confronted. As is generally known, the United States Government in December, 1917, assumed control of the railroads in order that the task of transporting troops, supplies, and materials required in the manufacture of munitions, might be carried out with the greatest degree of efficiency. The condition upon which the railroads were taken over by the Government was the payment of a guaranteed rental equal to their average net operating income for the three-year period preceding 30th June, 1917, and the total rental thus guaranteed to the roads was in the neighbourhood of \$900,000,000. Under war conditions, however, the Government Railroad Administration was soon faced with a decrease in net earnings, due to the enormous increase in operating expenses caused by the rapidly increasing cost of supplies, the increases in wages and the great increase

in the number of operators necessitated by the shortening of the working hours. Drastic increases in freight and passenger rates failed to offset these charges, and the result was that in the first year of Government management the net earnings of the railroad systems of the country fell short of the rental guaranteed by the Government by about 25 per cent. During the present year the situation has shown little if any improvement. In the first six months ended 30th June last the net operating income fell short of the guaranteed rental by 60 per cent., and although the prospects for the second half of the year are very much better—as indicated by the fact that the net earnings of the roads for July, August and September exceeded by a substantial margin the total net earnings for the first six months of the year—it is apparent that there will again be a considerable deficit on operating account to be made good at the end of the year. With the signing of the Armistice the matter of returning the roads to their former owners began to receive attention, but it was only recently definitely announced by the President that the railroads are to be returned to their owners on 1st March, 1920. Having regard, however, to the extent to which operating expenses have increased during the past two years, if the roads are returned to their former owners in their present impaired condition and under pre-war conditions as to the fixing of rates, receivership will be the inevitable result in the case of many systems, unless some protective legislation is passed. Several plans for dealing with the situation are now before the legislature, and whichever is adopted, it is felt that the railroads will receive a reasonable measure of justice. Not only must the owners of railway securities be provided with a proper return on their investments, but the earnings of the roads must be increased to a degree sufficient to rehabilitate their impaired credit, if they are to obtain funds for necessary extensions and the replacement of equipment

which has deteriorated to a serious extent during recent years.

The special measures taken by the United States Government to finance the cost of the war culminated in April last in the Fifth or Victory Liberty Loan amounting to \$4,500,000,000. It had generally been supposed that the amount for which the Treasury would ask would be \$5,500,000,000 or \$6,000,000,000, and the announcement that the loan would be for a lower figure had a most favourable effect. The loan took the form of convertible short term gold notes of the United States, issued in two series; one bearing interest at the rate of $3\frac{3}{4}$ per cent. exempt from taxes; the other bearing interest at the rate of $4\frac{3}{4}$ per cent., but subject to income sur-taxes, excess profit and war taxes; both carrying conversion privileges whereby holders of notes of either series may convert them into the other series. The maturity date of both series is 20th May, 1923, but the notes may be redeemed at the option of the Government on 15th June or 15th December, 1922, in full or in part, at par and interest, at four months' notice. The amount of the loan was definitely fixed at \$4,500,000,000 and no portion of the over-subscription was accepted. The loan was over-subscribed to the extent of \$749,980,300, and the estimated number of subscribers was approximately twelve million. The five war loans issued by the United States have been as follows:

	Amount Subscribed	Rate per cent.	Amount Allotted	Number of Sub- scribers	Per cent. of popu- lation subscrib- ing
First Loan..	\$3,035,226,000	$3\frac{1}{2}$	\$1,989,456,000	4,000,000	4.3
Second Loan	4,617,532,000	4	3,807,891,900	9,400,000	9.2
Third Loan..	4,176,516,000	$4\frac{1}{4}$	4,176,516,850	18,376,815	17.7
Fourth Loan	6,989,047,000	$4\frac{1}{4}$	6,992,927,100	21,000,000	20.3
Fifth Loan..	5,249,908,300	$\left\{ \begin{smallmatrix} 4\frac{3}{4} \\ 3\frac{3}{4} \end{smallmatrix} \right\}$	4,500,000,000	12,000,000	9.2

The official statement of the Secretary of the Treasury regarding the Victory Liberty Loan announced that it was

intended to be the last loan of the kind, and that such further borrowing as remained to be done on war account could, in view of the decreasing scale of expenditures, be readily financed by the issue of Treasury Certificates, which could "ultimately be refunded by the issue of notes or bonds without the aid of another great popular campaign such as characterized the Liberty Loans." This statement has since been officially reiterated several times. After the payment of the final instalment of the last loan, the Secretary of the Treasury estimated that the total public debt of the Federal Government on 30th June, 1920, will be \$26,516,160,005, and that the whole cost of the war will then have been financed. In a recent Treasury report it was stated that, including loans to the Allies, the excess of all public expenditure over revenue in the fiscal year ended June, 1919, was \$14,297,760,281. For the present fiscal year the Treasury estimates a total ordinary revenue of \$6,100,250,000 as against \$4,647,603,852 for the fiscal year 1919, and an ordinary expenditure of \$6,097,237,892, against \$15,365,362,741 for the previous fiscal year. Including all kinds of revenue and disbursements, it is estimated that the deficit of \$14,297,760,281 in the fiscal year 1919 will be followed by a deficit of \$4,158,620,585 in the fiscal year 1920. It was also stated, however, that the latter deficit would be wholly caused by the sum of \$4,664,104,490 disbursed on account of redemption of the public debt. For the fiscal year 1921, which begins next July, the Secretary estimates a surplus of revenue over all the year's expenditure amounting to \$1,646,552,015.

In anticipation of the Fifth Loan, just as in the case of previous Liberty Loans, the Secretary of the Treasury adopted the policy of effecting periodical sales of short term Certificates of Indebtedness. The total amount of such certificates issued in anticipation of the last loan and in anticipation of income tax instalments was \$5,544,151,500, of which \$4,306,818,500 was taken by the

banks prior to the actual offering of the loan. During the past two years the sale of these certificates has proved to be an excellent means of supplying the Treasury with funds for current needs, not only pending the flotation of war loans, but the receipt of income and other tax revenues, and the practice is likely to be continued.

During the past twelve months further credits of approximately \$1,500,000,000 have been granted by the United States to allied nations for the purpose of facilitating their purchases in this country. The total amount granted from the time the United States entered the war up to 21st October last, according to statistics published by the Commercial and Financial Chronicle, was \$9,647,419,494.84 made up as follows:

Belgium.....	\$ 343,445,000.00
Cuba.....	10,000,000.00
Czecho-Slovakia.....	55,330,000.00
France.....	3,047,974,777.24
Great Britain.....	4,277,000,000.00
Greece.....	48,236,629.05
Italy.....	1,620,922,872.99
Liberia.....	5,000,000.00
Roumania.....	25,000,000.00
Russia.....	187,729,750.00
Serbia.....	26,780,465.56
	\$9,647,419,494.84

As indicated in a preceding paragraph, however, the limit placed on such credits by Acts of Congress is \$10,000,000,000, and no further credits are to be granted after the balance of the authorization has been used.

Throughout the year, notwithstanding considerable activity at times, dullness has been the prevailing tone in the bond market. In November, 1918, immediately after the signing of the Armistice, there was a marked improvement in the general average of prices, but during succeeding months the average dropped considerably and the high point touched in November has not again been approached. The weakest feature of the market has naturally been

railroad securities, particularly those of second grade, while the prices of bonds of industrial companies have, as a rule, showed remarkable steadiness throughout the year. The reason for the general dullness in the bond market is that there have been so many speculative opportunities which offered attractive outlets for the surplus funds of bond investors that less attention than usual has been paid to bonds, even at low price levels. The experience of bond-selling houses, however, has been that all the high grade bonds, particularly of industrial corporations, which they have had to offer, have been readily absorbed, and that only the less attractive issues have been slow in finding a market. A comparison of the average prices of forty selected securities published by the Wall Street Journal shows that on 28th November the average price was 79.18, as against the high point of 87.68 in November, 1918.

Since the beginning of the year the popularity of the dollar acceptance has continued to grow, and its use as a medium of finance has become more firmly established. Fundamentally there has been no change during the year in the market for this class of paper. Except during the latter part of the year, when the high interest rates obtainable on loans against stock exchange securities made investment in bankers' bills more than ordinarily unattractive, little difficulty has been experienced by dealers in marketing their purchases. It is noticeable, however, that the amount of acceptances held by the Federal Reserve Banks, as reported in their weekly statements, is large in relation to the estimated total of such paper outstanding, indicating that the banks generally are not buyers for purposes of investment or reserve. In too many cases the banks that buy acceptances make a practice of endorsing and reselling them almost immediately to the Federal Reserve Banks, and almost the whole burden of supporting the market has fallen upon the latter. It is gratifying, however, to be able to record an increased

demand for acceptances from savings banks, which are showing a growing appreciation of the fact that the readily realizable character of a banker's acceptance makes it an ideal form of investment for them. During the past two years the acceptance has had to meet the competition of Government Certificates of Indebtedness as a medium for the employment of funds for short periods, and a better bill market should come with the steady decrease which is expected in this form of Government borrowing. So long, however, as banks are able to invest their day-to-day money more profitably in stock exchange loans than in bills or loans against this class of paper, the development of a discount market in New York on the broad lines of the London market is bound to be retarded.

Money rates throughout the year have for the most part ruled exceptionally high. Rates for prime commercial paper have ranged between 4 per cent. and 6 per cent., while rates for collateral time loans against stock exchange or other securities have fluctuated between 4 per cent. and 9 per cent. Call money rates have at times been subject to most violent fluctuations, the low point having been 2 per cent. and the high point 30 per cent., the latter occurring during the recent money stringency, and being the highest rate on record since the panic year of 1907. Rates for bankers' acceptances during the greater part of the year ranged from $4\frac{1}{8}$ per cent. to $4\frac{3}{8}$ per cent., according to maturity. During the last three months, however, a general increase of rates for this class of paper of from $\frac{1}{4}$ per cent. to $\frac{3}{4}$ per cent. has taken place.

In the early part of the year crop conditions were distinctly favourable and everything pointed to the probability of there being a very large harvest of cereals; but late in June and in July unfavourable weather seriously damaged all crops. The wheat crop is estimated to be some 300,000,000 bushels less than it would have been, had the favourable conditions which existed earlier in the year

prevailed throughout, and the corn crop was threatened with partial destruction. Even so, the wheat crop, according to latest estimates, measures up to that of last year and will be considerably above the average yield for the five year period, 1913 to 1917. It should be borne in mind, however, that under the stimulus of a guaranteed price the area planted in wheat was much greater this year than in 1918, the figures being 71,526,000 acres in 1919, as against 59,110,000 in 1918. A wonderful improvement fortunately took place in conditions affecting the corn crop, with the result that according to estimates recently given out by the Department of Agriculture the yield of corn will be the third largest on record, and although harvested later than usual, the crop is of unusually high quality.

The cotton crop is estimated to be considerably under the average, not only because of a decrease of approximately 7.5 per cent. in the acreage under cultivation, but also partly on account of the prevalence of abnormally wet weather in the cotton belt and the ravages of the boll weevil. The latest estimates place the total cotton crop at 11,030,000 bales. The following table shows the Government's latest estimate of the principal crops for 1919, as compared with the figures for previous years:

	1919	1918	1913-1917 Average
Corn (bushels).....	2,917,450,000	2,582,814,000	2,749,349,000
Wheat (bushels).....	940,987,000	917,100,000	790,634,000
Oats (bushels).....	1,248,310,000	1,538,359,000	1,331,287,000
Barley (bushels).....	165,719,000	256,375,000	199,212,000
Tobacco (lb.).....	1,389,458,000	1,340,019,000	1,143,894,000
Cotton (bales).....	11,030,000	11,888,138	12,922,000

Owing to the high prices which have ruled for farm products of all kinds during the year, the value of the crops harvested this year is placed at the unprecedented total of \$14,092,740,000, exceeding the value of last year's crops by almost \$1,500,000,000. The total area under cultivation this year was 359,124,748 acres, or over 2,600,000 acres more than last year.

In this connection it is worthy of note that the decreased area under cultivation for cotton last year was due to a movement among growers to restrict the acreage planted with a view to maintaining the price. In view of the fact that the available stock of cotton is only about equal to the average crop of normal years and that cotton is in great demand, an arbitrary reduction in production seems hardly to have been justified. In so far, however, as the reduction in the acreage of cotton results in the southern farmers growing increased quantities of food, and more nearly filling the requirements of the South in this respect, the movement has been a well advised policy.

Having regard to the abnormal conditions prevailing, the business outlook for 1920 is of more than ordinary interest. The situation, however, is so complex as to make any forecast in this connection extremely difficult. Trade statistics serve to indicate that as the year draws to a close business is at the very peak of activity, and as the demand for goods is far ahead of production this condition seems likely to continue for some time to come. The country, however, enters the new year surrounded by many vexatious and perplexing problems, reference to some of the more important of which has been made in preceding paragraphs. The foreign trade and credit situation, labor unrest and the railroad problem are all pressing for immediate attention, and upon the satisfactory solution of these questions the future welfare and continued prosperity of the country depend. The failure of the United States Senate to ratify the treaty of peace with Germany leaves the world in a state of unrest and uncertainty, the effects of which will be increasingly felt here unless some satisfactory compromise of the peace treaty is effected. Moreover, a substantial falling off in the volume of the country's exports would seem inevitable, having regard to the difficulties with which the leading importing countries of Europe are faced in arranging for payment for their

purchases in the United States. While the domestic demand may be sufficient for a time to keep industry fully employed, the effect of smaller exports must sooner or later be reflected by lessened industrial activity, lower wages and decreased values. Just when this will occur, however, cannot be safely predicted.

II

The grain business of the States of Washington and Oregon is so closely linked with that of northern Idaho that although we have no branch in the last mentioned State, they are treated together here. Early in the year it was predicted that the wheat crop of these States would be about 100,000,000 bushels, but the results have proved disappointing, being only 63,550,000 bushels; this was, however, an advance of about 14,000,000 bushels over the crop of 1918, and was due entirely to an increase in the acreage. While the Government has placed a fixed price upon wheat, buyers here and in California have been willing to pay a premium to obtain supplies for milling purposes. The prospects for 1920 are not entirely favourable, as the acreage sown to wheat will be reduced because of the need for crop rotation, which involves summer fallowing, and farmers are reluctant to risk the growing of winter wheat. Owing to the guaranteed price of wheat, growers were induced to sow it instead of barley and other crops, and as barley has suffered from drought it commands a price of \$60 per ton, as compared with \$30 to \$35 some years ago. The crop of oats exceeded that of last year by about 1,750,000 bushels. The production of corn is annually increasing, the crop of hay shows an increase of 25 per cent. over that of last year, and the root crop was quite as large.

In the State of Washington shipbuilding has continued somewhat actively, and a certain measure of optimism prevails among those engaged in the industry, although on

account of the cost of transportation of the necessary materials it does not seem probable that the building of ships on this coast can be continued on an important scale. The yards are now completing the Government contracts, the total of which for the last three years was as follows:

Wooden vessels.....	495,900 tons.
Steel vessels.....	1,152,300 "

Wooden vessels have been far from a success, and fifty-one now lie in Lake Washington which have never been used, and which can be sold only very much below cost. Wages have been largely influenced by those paid by the shipyards, and continue at unusually high figures, with the natural accompaniment of enhanced cost of living and almost unheard of luxury and extravagance. Social unrest is prevalent, but strong efforts are being made to bring employers and employees together.

Important increases are shown in the deposits and the loans of the banks, and these would have been even greater had it not been for the requirements of the Government, which have borne somewhat heavily upon the lending power of the banks and upon the funds of the public. Imports have fallen considerably below those of last year, but exports have increased in spite of the lack of tonnage, some of which was probably due to its diversion to the Atlantic coast.

The salmon pack of 1919, is estimated at 6,155,000 cases, as compared with 8,139,143 cases in 1918, a reduction due almost entirely to conditions in Alaska, where the packers, particularly those operating in the north, were able to fill only about 30 per cent. of their orders, and in some instances the pack reached only 20 per cent. of that of last year. In southern Alaska conditions were not quite so bad, but even there the output was materially reduced. The market is strong except for chums and pinks, the weakness in these grades being due partly

to the return to the packers of considerable quantities commandeered last year by the Government, and partly to the fact that higher wages induce the purchase of better grades of fish. As stated in the report upon the salmon fishing in British Columbia, while the market for chums is at present very weak, sellers are hoping for an improvement in the early part of 1920, when it is expected that existing stocks will have been sold out. The outlook is not encouraging, as the fishermen exacted more for their services this year than in the year preceding, and are said to contemplate a further demand for the season of 1920.

The statistics of the lumber cut for 1919 are not yet available, but it is expected to exceed that of the previous year, which was 4,603,000,000 feet. The export trade is recovering its previous volume, and the domestic demand has been exceptionally good. Stocks in the yards are low, and although prices are extremely high, in some cases double those of 1918, net profits will be about normal. Logs are firm in price, the shingle market has been the best in the history of the State of Washington, and lumbermen are exceedingly optimistic in view of the extensive building programme which is in sight. The State claims to have within its boundaries 260 billion feet of standing timber, 46 per cent. of which is Douglas fir, and with 600 mills operating, 100,000 loggers and a pay-roll of \$150,000,000, it claims to be the largest producer of lumber in the Union.

Housing conditions here are about the same as elsewhere; residences are almost unprocurable, and rentals have advanced to exorbitant figures. On account of the high cost of building, there is a genuine unwillingness to erect houses unless absolutely unavoidable; nevertheless there has been some increase in building permits during the year, as shown by the following figures:

	1919	1918
Transfers of real estate.....	\$19,317,735	\$13,863,651
Building permits.....	16,325,051	10,002,725

General business has been satisfactory, collections have been good, and wholesalers and retailers report a larger turnover.

The State of Oregon claims to contain the largest quantity of standing timber in the Union, or one-fifth of the nation's supply, and also that Portland ranks second in America as a wool centre. Sheep-raising has always been a prominent industry in this State, and the number of sheep as well as of hogs and cattle, has increased to some extent during the year. The apple crop was the largest in the history of the State, amounting to nearly twice that of 1918, and prices have been well maintained. Last year the future of the hop-growing industry presented rather a gloomy aspect, but a complete change has since taken place, and owing to the active demand from Great Britain the price has risen from 28 cents to 86 cents and contracts can now be made with British buyers at 40 cents, 35 cents and 30 cents, per bushel, respectively, for the years 1920, 1921 and 1922. Growers are now much encouraged and will plant more largely, feeling that the British market as well as those in the Orient, in South America and in the United States, must continue to be remunerative for some years, at least until Great Britain can fill her own requirements.

Labour conditions in this State have been favourable on the whole, workmen can find employment, and many industries have experienced some shortage of labour. Shipbuilding, however, has been at a standstill since 1st October, owing to differences between the Government and the unions on the subject of the Macy wage agreement. Existing Government contracts can be completed within three months, and it is expected that there will be some activity on private account in 1920, but the future of the industry is, as in the State of Washington, quite uncertain.

The lumber trade has had one of its most profitable years since 1912, though in the early part of the season it

had to contend with a scarcity of labour, and later with a shortage in rolling stock, which caused congestion at the mills and curtailed shipments. Prices are now stronger than at any period within the twelve months. Purchases consist chiefly of material for house-building and are not much in evidence for timber for industrial purposes.

General business conditions in the State resemble those which prevail in Washington and in California.

In California both wholesale and retail trade have reflected the excellent crops of the past year, but exports have suffered through lack of tonnage and to some extent through the diversion of Australian business, via the Panama Canal, to the Atlantic seaboard. Deposits in the banks have increased largely, and clearings are nearly 50 per cent. in excess of those of the preceding year. The wheat crop, estimated at 12,500,000 bushels, is about 30 per cent. larger than that of 1918, and commands a premium over the price fixed by the Government of the United States. Barley has also been a larger crop, selling at an advance of \$1.05 per cwt. over the 1918 price. The production of rice increases annually, and 1919 is thought to be no exception to this rule; the actual figures are not available. There has been some reduction in the number of live stock carried, except in the case of sheep and swine, which show a slight increase.

The largest fruit crop ever known in the history of the State has been handled with comparative ease owing to the increase in the number of canneries now in operation, and the quality of the crop proved exceptionally good; owing to the demand from numerous European buyers prices have been high. A larger crop of citrus fruits has been gathered, but a falling off is evident in the quantity of asparagus, one of the important products of the State. The enactment of prohibition has naturally been regarded quite seriously, inasmuch as the growing of grapes has been one of the most active industries in California; growers are endeav-

ouring to meet the situation by drying the fruit, and this seems to have proved reasonably satisfactory, but the real test will come later.

Labour unrest has been prevalent here as elsewhere, accompanied by almost constant strikes, although the highest wages on record are being paid to operatives in almost every industry. The production of lumber has been satisfactory, both in volume and in financial results to the dealers, and exports have been active in spite of unfavourable exchange conditions; a further drop in exchange rates, however, may result in the curtailment of shipments to Australia and South Africa. There has been a demand for ties and lumber to be used in the work of reconstruction in Great Britain, and when this was filled, it was followed by orders from commercial firms there and on the Continent. It is impossible at present to secure reliable figures as to the output of minerals, but it is stated that the production of gold will be about the same as that of last year, and that the output of petroleum has increased. California produces 75 per cent. of the quicksilver mined in the United States.

Real estate has been active, and residences here, as apparently all over the continent, are almost unprocurable.

Of 331 ships ordered by the United States Shipping Board since 1917, 251 have been completed or are in process of completion, and the remaining contracts have been cancelled. From the Hawaiian Islands information comes that the sugar crop will be approximately 600,000 tons, and that the price is still fixed by the Equalization Board at 7.28 cents per pound, but it is expected that it will sell at about $9\frac{1}{2}$ cents per pound, for forward delivery in January and February 1920. The refining is now nearly all handled on the Pacific coast, instead of on the Atlantic seaboard, as formerly.

GREAT BRITAIN

When we last reviewed the business conditions of Great Britain, the Armistice which brought to an end the actual warfare between the principal belligerents had just been signed, and there then devolved upon the Government and the financial interests of this country the gigantic task of absorbing into the industries of peace the army, navy and air forces, composed of 4,400,000 men. These forces at the time of the Armistice were serving not only on the Western front but in Mesopotamia, Siberia, Egypt, northern Russia, Italy, Palestine, east Africa and other widely separated war zones. When it is realized that demobilization involved the bringing of these men from distant stations to the United Kingdom, and the transporting of large numbers of other fighting forces to their homes in the Overseas Dominions of Canada, Australia, South Africa, and, in smaller numbers, to every portion of the British Empire, it can be seen that with our depleted shipping facilities the task was no small one. In November, 1919, twelve months after the Armistice, the army, navy and air forces had been reduced to 720,000 men, and it is expected that by March, 1920, this number will be further reduced to 500,000 men. In addition to the fighting forces, it is estimated that 1,500,000 men and women were employed in Great Britain exclusively on war work, and these as well as the fighting forces had to be transferred to the pursuits of peace. The British losses in the Great War, exclusive of those of the Overseas Dominions, amounted to 803,320 killed and missing, and 1,649,946 wounded.

In the final year of hostilities of the costliest war in history, Great Britain had to bear not only the heaviest burden of the offensive on sea, land and air, but she was obliged to provide out of her own resources, both financially and by way of supplies, a proportion far greater

than would have been expected from her population and wealth. The grand total of Great Britain's expenditure, as estimated by the "Economist", from 1st August, 1914, to 15th November, 1919, amounts to £10,443,645,000. Large as this expenditure is, it was estimated that on 31st March, 1919, of the total outlay that this country had incurred in the war, 27½ per cent. had been obtained from revenue. With the conclusion of hostilities one would have anticipated a marked decrease in the nation's expenses, which approximated £7,000,000 per day, but for some time, owing largely to the difficulty of reducing army and navy expenditure, there was but little evidence of a reduction. Latterly, however, the Government, backed by the pressure of public opinion, has adopted an increasingly stringent policy of national economy.

In a statement recently made by the Chancellor of the Exchequer, it was estimated that the gross national debt of Great Britain on 31st March, 1920, would reach the enormous figure of £8,075,000,000. The revised statement as to the assets held against this gross amount gives them as £2,626,000,000, as follows:

Obligations of Allies:—		
France.....	£508,000,000	
Italy.....	467,000,000	
Russia.....	568,000,000	
Belgium.....	98,000,000	
Serbia.....	20,000,000	
Other allies.....	79,000,000	
		£1,740,000,000
Obligations of Overseas Dominions.....		200,000,000
Obligations of India in respect of British War Loan.....		21,000,000
		£1,961,000,000
War assets, viz: surplus stores, ships, stocks, of commodities.....		425,000,000
Arrears of Excess Profits duty.....		240,000,000
Total.....		£2,626,000,000

Receipts from Germany under the Peace Treaty must be added, but no figures can be given until the Reparation

Commission has adjudicated on the claims referred to it. While the situation in Russia is so unsettled it is impossible to place a value on the exact amount recoverable from that source, but with an eradication of Bolshevism as a dominating force in the national life, and a return to more stable conditions in that unfortunate country, it is expected that at least an effort at a just settlement will be made. The estimated net national debt on 31st March, 1920, provided the obligations of all the allies are recoverable, will be £5,449,000,000.

The revised estimates for the financial year ending 31st March, 1920, provide for revenue £1,168,650,000, and for expenditure £1,642,295,000, showing a deficit of £473,645,000. The Chancellor further stated that in a normal year, which will not be until 1921, the total expenditure of the United Kingdom will be £808,000,000, against an estimated revenue of £806,000,000. It is estimated that £360,000,000 will be required for interest and a sinking fund of $\frac{1}{2}$ per cent. on the debt, a fund which if it is continued, will be sufficient to redeem the entire debt in a little over fifty years. War and old age pensions will require £122,800,000 per annum. Before the war the national debt of the United Kingdom represented about £16 per head of the population, at present it is £174 per head, and the interest charge approaches £9 per head. The Chancellor did not anticipate that additions to taxation, which is already high, would be necessary, unless further charges were imposed on the Exchequer and a more rapid reduction of the national debt was desired. It was also stated by him that a general capital levy was not in the interest of the nation. The outstanding feature of the 1919-20 budget was the announcement that the excess profits tax would be reduced to 40 per cent. in this financial year, instead of 80 per cent. as in the previous year. As this charge undoubtedly affected industrial development the reduction of 50 per cent. was

welcomed, and it is hoped that a complete withdrawal of the tax will be announced in the next budget.

The outstanding obligations of Great Britain as at November 15th, 1919, are shown in the following table:

Funded debt.....	£ 317,700,000
Terminable annuities.....	21,900,000
Unfunded debt:—	
3½% war stock.....	62,700,000
4½% do	16,100,000
4% and 5% do	1,950,700,000
National war bonds.....	1,744,200,000
4% funding loan.....	220,000,000
4% Victory bonds.....	220,000,000
Treasury bills.....	1,092,200,000
Exchequer bonds.....	356,500,000
War savings certificates.....	264,400,000
Loans from U.S. of America and other countries.....	1,284,800,000
U.S. of America loan of 1916.....	51,400,000
Ways and means advances.....	213,600,000
Other liabilities.....	45,800,000
	£7,862,000,000

During 1918 and up to the beginning of 1919, the Government's financial requirements were mainly met by the continued issue of National War Bonds, which reached their fourth series. Between the time of their first issue in October, 1917, until their withdrawal in January, 1919, a period of 68 weeks, subscriptions averaged £24,196,000 a week. These were followed by an issue on 12th June, 1919, of a 4 per cent. Funding Loan at 80, repayable 1960-90, and 4 per cent. Victory Bonds issued at 85, repayable at £100 for each £85 subscribed, by annual drawings of increasing amount. These bonds are accepted at face value in payment of death duties. Subscriptions for both these issues were spread over instalments, the last being payable on 8th January, 1920. The loans were not considered a success in comparison with earlier issues, the stock and bonds applied for in cash, including the conversion of Treasury Bills, being £574,704,000. In addition

the amount created in respect of the conversion of existing loans aggregated £192,820,000, or a total of both cash and conversion of £767,534,000.

During the early part of 1919 Treasury Bills at three and six months' maturities were on sale at $3\frac{1}{2}$ per cent. discount. They were withdrawn, however, on May 31st, shortly before the Victory Loan was launched, and on July 14th again placed on sale at two, three and six months' maturities at $3\frac{3}{8}$, $3\frac{1}{2}$ and 4 per cent. discount. The two months' bills were withdrawn on August 21st, and on October 6th the discount rates of the three and six months' maturities were increased to $4\frac{1}{2}$ per cent. and 5 per cent. respectively, and on November 7th both maturities were placed on a $5\frac{1}{2}$ per cent. basis. The total amount outstanding was reduced on 12th July, 1919, to a minimum of £628,609,000. Since that date there has been a gradual increase in the amount, and on November 15th, 1919, the total aggregated £1,092,200,000, as compared with £1,122,181,000 a year ago.

The aggregate redeemable value of War Savings Certificates outstanding on November 15th, 1919, was £264,400,000, as compared with £196,500,000 on November 16th, 1918. It is interesting to note that since the beginning of the war the savings of the small investors in post office issues, war securities and War Savings Certificates, and in the Savings Bank deposits, have amounted to no less than £570,000,000. Before the commencement of hostilities some 345,000 persons were owners of British Government securities. To-day it is estimated that the number of holders is between 17,000,000 and 20,000,000.

With the present rates for money it is not anticipated that the Government will attempt to fund any large proportion of the debt, but there has been considerable pressure on the part of a section of the public to bring out a premium bond issue with substantial prizes, primarily with the idea of attracting the working classes. The

prevailing opinion in responsible financial circles, however, is that the amount to be obtained from such an issue would be so small as not to warrant the expense and labour which would be entailed, and, further, that the money so obtained would only have been made available to a large extent by withdrawals from War Savings Certificates and other issues made through the post office.

The Bank of England statement again presents some marked features and we herewith append an analysis of the important figures in the statement covering the past three years:

	1919 19th Nov.	1918 20th Nov.	1917 21st Nov.
Coin and bullion.....	£ 87,965,000	£ 75,170,000	£ 55,856,000
Circulation.....	85,676,000	65,222,000	42,472,000
Deposits.....	118,592,000	172,341,000	164,771,000
Securities.....	115,605,000	161,667,000	150,693,000
Reserve.....	20,738,000	28,397,000	31,833,000
Ratio of reserve.....	17.5%	16.5%	19.32%

In comparison with the statements of a year ago, the note circulation shows an increase of £20,454,000, and the coin and bullion an increase of £12,795,000.

The demand for £1 and 10s. treasury notes issued by the Government has caused a largely increased circulation during the year, although recently there is a tendency for the amount to be lessened. The general inflation in prices and credit, however, does not allow any material decrease, and the amount now outstanding is £338,834,000 in comparison with £293,790,000 a year ago. In addition to a gold reserve of £28,500,000 held against these notes, and with the object of placing the currency note issue on a more satisfactory gold basis, an additional sum of £2,350,000 Bank of England notes has been set aside in redemption account, the total ratio of reserve now being 9.1 per cent.

Since August, 1919, when the Government relinquished control over the price of silver, the quotation has continued to rise and on 25th November reached 76d. per ounce for

cash, the highest price ever attained, and 10d. higher than the melting value of the silver currency. The Government have already prepared a supply of 5s. notes, but up to the present no announcement has been made as to their issue. The question of substituting nickel coins, or of reducing the quantity of silver in the present coinage, has also been under discussion.

The latest available figures of the world's gold production indicate that the British Empire in 1918 produced gold to the value of £51,000,000, or about 65 per cent. of the entire world's production. The Government in July, 1919, removed the restrictions under which they purchased gold at 77s. 9d. per ounce. This enabled the producers to sell their output at the market rate, and much of the gold was bought on United States account, helping thereby to stabilize the exchange. A considerable quantity of gold, it is understood, has recently been purchased on Continental account at 103s. per fine ounce. The effect of the increase has enabled the South African producers to enhance their profits, and also to enlarge the output of the mining areas.

In regard to the money market there was very little change in the rates for day to day money during the first six months of 1919. In July the arrangements were abrogated, under which the banks had been restricted to paying interest at not more than 3 per cent. With the removal of the restriction on interest, there was a tendency for the rates to stiffen, day to day money commanding 3 per cent. to 3½ per cent. The increased demands on the banks for credit and for commercial requirements, however, in conjunction with the rise of rates in the United States, resulted in the minimum discount rate at the Bank being raised on November 6th to 6 per cent., after having remained at 5 per cent. since April 5th, 1917. Discounts also hardened in consequence, and prevailing rates at the time of writing are 4 per cent. on banks' short deposits

and $4\frac{1}{4}$ per cent. on deposits at notice. In October, when the three months' treasury bill rates were on a $4\frac{1}{2}$ per cent. discount basis, the arrangement under which the Bank of England paid $4\frac{1}{2}$ per cent. for foreign money was withdrawn.

A prominent feature of the general banking situation has been the many amalgamations and affiliations that have been made during the year between the London joint stock banks and the provincial and Scotch and overseas banks. While there has been some criticism of the resulting decrease in the number of independent banking institutions, the combinations already brought about have not only strengthened the financial position of the banks, but have considerably increased the efficiency of the banking machinery. This is exemplified, for instance, in the very important part which the banks are taking in financing the overseas trade which is opening up on the Continent, and it is estimated that during the financial year just ended they will have granted credits of £300,000,000 for goods and service rendered on Continental account.

The British Government, it might be mentioned, in order to promote trade between neutral countries arranged to issue foreign export credits on Government account where the banks could not see their way to extend facilities, and allocated £12,000,000 in the budget on this account, an amount which will be repayable during the next two years. Owing to difficulties in the mail services and arranging the formalities, this credit has not been availed of to the extent that had been anticipated.

For the purpose of comparison, and as an evidence of the continuous and increasing growth of British banking institutions, we append herewith a table, showing the more important figures from the balance sheets of twenty-two banks as at 30th June in the years mentioned:

	1919	1918	1917
Deposits.....	£1,917,868,000	£1,456,919,000	£1,152,356,000
Cash reserves.....	740,567,000	446,537,000	294,458,000
Investments.....	396,540,000	336,718,000	309,023,000
Loans.....	887,417,000	757,542,000	623,373,000

It is estimated that the total deposits of all banks in this country, including the post office savings banks and the trustees' savings banks, reached the enormous figure of £2,700,000,000, an increase of £500,000,000, during the year. The figures of the Bankers' Clearing House returns from 1st January, 1919, to 26th November, 1919, aggregate £24,990,692,000, in comparison with £19,121,196,000, and £21,197,512,000, for the twelve months of 1917 and 1918, respectively.

The outstanding feature in the foreign exchanges during the year was the removal by the British Government on March 20th, 1919, of the control exercised over United States exchange, which had been pegged at 4.7640. During the same month both the French and Italian exchanges were also released from control. The tendency of United States exchange has been downward, and business was done during November, 1919, at 4.01.

The course of the principal foreign exchanges during the period of the war and their present level, is shown in the following table:

	During the War		1919	Gold Parity
	Highest	Lowest	29th Nov.	
France.....	28.98	24.97	39.35	25.22
Italy.....	45.65	25.50	49.15	25.22
Holland.....	12.20	8.97	10.57	12.10
Denmark.....	19.68	12.75	20.03	18.25
Sweden.....	19.75	9.95	17.96	18.25
Norway.....	19.63	12.65	18.59	18.25
Spain.....	26.75	16.60	20.39	25.22
Switzerland...	26.40	18.72	22.10	25.22
United States..	506.00	452.50	401.25	4.8666

The present condition of the foreign exchanges reflects the difficulties which the warring nations of Europe are still experiencing in paying for the things they need from other countries. It is equally obvious that the great depreciation in the currency of the European nations means that unless credits are granted to these nations they will be unable to buy any appreciable quantity either of food or raw material.

The position of Great Britain, is, of course, more favourable than that of the Continental countries. Not only is her credit better, but the deficiency in her exports is covered to a great extent by the revenue derived from the whole world by British shipping (a revenue which has been materially increased by the huge rise in freight rates) and, in lesser degree, by interest on foreign investments, and by services rendered to the rest of the world by British bankers and others. Nor must it be forgotten that the United Kingdom still possesses a large quantity of foreign investments which she could, if necessary, sell or deposit as collateral for loans. The fact remains, however, that Great Britain, in addition to her own extensive financial requirements, is carrying a heavy share of the load of debt of her more impoverished European allies, and is, in consequence, obliged to take advantage of her recognised greater stability and to secure credit herself, principally from the United States, to which country she now owes about £1,000,000,000.

During the year the Treasury restrictions on the sale and shipment of securities, and also on new issues, have been removed, with the exception of the regulations which provide that securities that were in the possession of the enemy cannot be dealt in. On the other hand the Stock Exchange in its own regulations has not yet provided for dealings other than for cash; the wisdom of this course has been evidenced in the steadiness of the market under abnormal conditions, and the reduction in speculation has proved a safeguard in the difficult financial situation. Many new issues have been placed on the market and in almost every instance these have been satisfactorily subscribed, but at increasing interest returns, the last Colonial issue, that of the 6 per cent. Inscribed Stock of the Nigeria Government, a trustee investment with a minimum term of 30 years, being placed at par, or on a 6 per cent. basis. There is ample money for investment

purposes, as illustrated by the great demand on the part of the public for shares in a number of industrial concerns which have recently appeared on the market for increased capital, but owing largely to the unfavourable exchange situation, new issues connected with the Dominion are not in evidence. Some considerable time will elapse before Canada can sell her securities advantageously in the British market, and it is well to sound a note of warning that when securities are placed here they should bear the hall-mark of approval, and banks should jealously guard the interest of the investing public in this respect.

The present active demand for securities in the United Kingdom is shown in the appended statement of subscriptions to new issues in the British market, excluding British Government war issues, for the nine months ended 30th September, 1919; these it will be seen, aggregated £105,997,300, in comparison with £19,401,300 for the corresponding period in 1918:

	Nine months to 30th Sept., 1919	Nine months to 30th Sept., 1918
Colonial Government and British municipal loans	£3,450,600	£5,744,900
Colonial and foreign railways		1,810,000
Oil	2,379,100	1,725,000
Iron, coal, steel, etc.	10,215,200	6,500,100
Electric lighting, power, etc.	2,928,100	1,599,000
Manufacturers	25,407,600	577,500
Bank and insurance	18,776,300	
Miscellaneous	42,840,400	1,444,800
	£105,997,300	£19,401,300

Equally interesting in this respect is the following list, published by The Bankers' Magazine, giving the market values of 387 representative securities at various dates over a period of years;

January 20th, 1907.....	£3,843,000,000
July 20th, 1914.....	3,371,000,000
December 17th, 1915.....	2,907,000,000
December 18th, 1916.....	2,758,000,000
December 17th, 1917.....	2,601,000,000
†April 20th, 1918.....	2,572,000,000
December 17th, 1918.....	2,801,000,000
October 20th, 1919.....	2,690,000,000

†Lowest point touched.

The value of these securities shows a decrease of £111,000,000 in the ten months under review. The weakness in securities bearing fixed rates of interest and in Home railway stocks, owing to the rise in interest rates and in income tax during the last few years, has been noticeable. The dividends on commercial and industrial undertakings have been appreciably increased in order to maintain prices at pre-war levels, and the higher returns available have had the effect of lowering the prices of British Government securities.

In British agriculture the position last year was not so favourable as in the previous year when war production was at its height. The total amount of farm lands under cultivation in 1919 was 45,800,000 acres. In the last two years of the war, it will be remembered, the area under cultivation was very markedly extended; and as a consequence while cattle were maintained at the pre-war level of numbers, sheep and pigs were reduced considerably below it. These, however, are losses which can be rapidly made good, especially in the case of pigs, with the return of more favourable and normal conditions. British farmers showed their adaptability during the war, and they may be trusted to show equal resourcefulness in returning to the conditions of peace.

In regard to Great Britain's foreign trade, war and after-war conditions continue to be reflected in the big adverse trade balance. For the ten months ending October 31st the excess of imports is shown thus:

	Imports	Exports Including Re-exports	Excess of Imports
For the 10 months ending 31st October, 1918.....	£1,086,790,000	£441,897,000	£644,893,000
For the 10 months ending 31st October, 1919.....	1,319,557,000	738,299,000	581,258,000

On the basis of these figures it is anticipated that the excess of imports for the full year will be about £700,000,000. From this excess must be deducted invisible exports, the value of which cannot be accurately ascertained, but in a recent statement the chairman of one of our largest shipping companies estimated the annual earnings of our merchant shipping at £350,000,000 to £400,000,000 per annum. It is also important to remember that the imports have been increased by the re-establishment of stocks of industrial raw material which were depleted during the war. According to authoritative estimates, however, British exports will not balance British imports for the year. The Government is alive to the necessities of the situation. Marked progress has been made in facilitating the arrangements of trade with the Overseas Dominions, and with neutral and enemy countries. Many trade restrictions have been removed, and shipping has been released, although space in many of the vessels is still retained for food products from abroad. State assistance has been granted to the dye industry and to other key industries.

During the year the Government appointed a Minister of Transportation with very wide powers to co-ordinate the working of the railways, canals and road systems. The new Minister was also given control over the system of docks, and it is hoped that as a result the congestion in the ports and on the railways will be reduced, and a proper distribution of supplies, which is so necessary to both production and construction, will be facilitated.

The part played by British shipping, not only in the trade of the United Kingdom but in that of the world, is

of so vital a nature that no review would be complete without detailed reference to the conditions now existing in this essential element of transportation. During the war the gross tonnage of British merchant vessels lost through enemy action was 7,759,090, and the aggregate tonnage damaged or molested was 8,007,967. The repairs to these damaged vessels placed a great strain on the British shipbuilding yards, and as a result production was considerably reduced. According to Lloyd's Register of Shipping, the steam tonnage owned by the United Kingdom in June, 1919, amounted to 16,345,000 tons, in comparison with 18,892,000 tons in June, 1914, a shrinkage in the five years of 2,547,000 tons. The merchant vessels launched in the United Kingdom during the year 1918 amounted to 1,348,000 tons, while in the first six months of 1919 the amount was 733,207 tons. It will be remembered that under the Peace Treaty Germany is obliged to surrender 200,000 tons of new shipping each year to the Entente, and under these circumstances, although the building price of ships has increased approximately 300 per cent. in five years, the shipping situation, as far as tonnage is concerned, is fairly satisfactory. The main difficulty at present is the congestion in the ports. One of the chiefs of the Ministry stated recently: "the amount of shipping under the British flag is five per cent. more at present than it was in 1914. It could be used to carry British goods all over the world to restore British export trade in all the markets, but instead of doing so it is held up at the ports because of the difficulty of transporting the goods in this country."

An outstanding characteristic of commercial activities throughout the world is the concentration of industry, and in this respect the United Kingdom is keeping well in line. A number of amalgamations on a large scale have been made during the year, and the tendency is increasing. This affiliation of interests, it is claimed, will

have a beneficial effect on production, and increased production is certainly the great need of the day in this, as in other countries. The number of wage earners in Great Britain is now greater than in the year immediately preceding the war, but notwithstanding this, the production of manufactured goods is as yet far below the normal. Restrictions on the output of labour are evident. The spirit of unrest among the working classes and their continuous demands for higher wages and shorter hours, etc., resulting in a number of instances in costly and disastrous strikes, have greatly hindered production in this country. The strike among the coal miners affected every industry and that of the iron moulders has had a further serious effect, especially upon the engineering trade. The great railway strike in September was equally injurious to the industrial and national welfare of the community. The reduction in the miner's working day to seven hours caused for a time a substantial decrease in the output of coal, but lately the production has risen, and in recent weeks the average has been 4,800,000 tons, compared with a normal production of 5,500,000 tons per week in 1913. The large increase in the cost of coal has raised the operating cost of the railways and factories, and has had an important bearing upon the output of steel and its commodities. The Government has initiated investigations in an effort to discover oil in Great Britain, but so far this has not been found in paying quantities, except in the case of shale oil in Scotland. The use of oil as motor power is assuming large proportions, and many steamers are now being fitted with equipment for this purpose.

Undoubtedly the great increase in the cost of all commodities is a big factor in the prevailing unrest. The cost of living showed a gradual reduction for a few months after the signing of the Armistice, but owing to the unfavourable exchanges which add nearly 20 per cent. to the price of produce from the United States, and to other

contributory causes, the very high prices have again shown a tendency to increase. The index number of commodity prices, established by the "Economist", rose in October, 1919, to 6.795, in comparison with 2.565 in July, 1914, an increase of 165 per cent. as compared with an increase of 143 per cent. a year ago. The Food Controller estimates the increase of food prices on November 1st, 1919, at 131 per cent. over the prices prevailing in July, 1914, in comparison with an increase of 109 per cent. four months ago.

The whole situation is fraught with many problems which the best brains of the nation are endeavouring to solve. It would be idle to deny that there are big obstacles to be overcome, but the economic position of Great Britain is as fundamentally sound as it ever was, and the country has stood a test which few other nations could have endured. In the grim business of the war she took a dominating part, and in the strenuous work of reconstruction she will be found equal to any task which her pre-eminent position in the world demands.

DIAGRAMS AND STATISTICS

ILLUSTRATIVE OF THE TRADE AND NATURAL
RESOURCES OF CANADA

MOSTLY REPRINTED FROM THE

MONTHLY COMMERCIAL LETTERS

ISSUED BY THE BANK

GOVERNMENT REVENUE AND EXPENDITURE

REVENUE	Month of November		8 months ending November,	
	1919	1918	1919	1918
Customs.....	\$13,622,070	\$11,599,592	\$103,134,801	\$101,351,123
Excise.....	3,955,516	3,009,384	27,731,028	19,597,870
Post Office...	1,800,000	1,800,000	12,800,000	12,600,000
Public Works	6,720,422	5,456,991	30,337,460	27,256,170
Miscellaneous	5,520,693	7,652,725	44,024,206	33,127,665
	<u>\$31,618,701</u>	<u>\$29,518,692</u>	<u>\$218,027,495</u>	<u>\$193,932,828</u>
EXPENDITURE..	\$43,486,722	\$26,884,012	\$202,536,129	\$107,991,837
CAPITAL EXPENDITURE				
War.....	\$16,382,854	\$21,768,262	\$222,468,561	\$191,342,679
Public Works	4,573,087	1,231,878	28,607,367	10,120,421
Rail Subsidies	.....	.....	44,062	.....
	<u>\$20,955,941</u>	<u>\$23,000,140</u>	<u>\$251,119,990</u>	<u>\$201,463,100</u>
29th November, 1919 31st October, 1919 30th November, 1918				
NET DEBT.....	\$1,817,839,871	\$1,784,876,808	\$1,307,429,661	

THE BANK STATEMENT

ASSETS	29th Nov.,	31st Oct.,	30th Nov.,
	1919	1919	1918
Cash and Bank Balances	\$ 561,698,928	\$ 530,717,300	\$ 549,522,586
Bank Balances Abroad.	76,144,093	58,872,561	59,659,653
Call and Short Loans..	291,381,349	258,743,475	256,710,795
Securities.....	644,525,105	671,408,458	579,284,665
Loans in Canada.....	1,259,988,075	1,178,008,551	1,133,879,677
Loans Abroad.....	149,302,293	160,713,386	110,010,815
Other Assets.....	117,098,644	109,134,959	94,572,944
	<u>\$3,100,138,487</u>	<u>\$2,967,598,690</u>	<u>\$2,783,641,135</u>
LIABILITIES			
Note Circulation.....	\$ 237,547,162	\$ 236,477,479	\$ 234,982,978
Deposits			
Government.....	368,006,853	141,727,845	407,257,954
Public in Canada....	1,866,515,866	1,968,027,225	1,605,695,630
Foreign.....	259,047,187	253,965,203	221,299,711
Bank Balances			
Canadian.....	11,819,754	8,516,415	12,497,776
Foreign.....	34,874,517	37,016,481	27,270,192
Bills Payable and Acceptances.....	57,164,365	48,688,853	33,207,229
Other Liabilities.....	4,256,420	3,028,196	5,587,186
Capital and Rest.....	243,873,027	241,152,863	220,012,649
	<u>\$3,083,105,151</u>	<u>\$2,938,600,560</u>	<u>\$2,767,811,305</u>

FOREIGN TRADE

	Month of November,		Twelve Months ending November,	
	1919	1918	1919	1918
IMPORTS for Consumption	\$91,113,537	\$ 73,390,048	\$ 920,077,014	\$ 898,211,913
EXPORTS				
Can. Produce	120,403,661	119,161,003	1,198,675,465	1,256,916,718
Foreign "	2,702,326	4,992,102	52,419,375	43,844,317
	<u>\$214,219,524</u>	<u>\$197,543,153</u>	<u>\$2,171,171,854</u>	<u>\$2,198,972,948</u>

EXCESS OF EXPORTS

	Month of November,		Twelve Months ending November,	
	1919	1918	1919	1918
	\$31,992,450	\$50,763,057	\$331,007,826	\$402,549,122

GRAIN IN TERMINAL AND PUBLIC ELEVATORS

	Wheat Bushels	Other Grain Bushels	Total Bushels
December 26, 1919.....	18,439,089	8,592,891	27,031,980
December 27, 1918.....	33,721,385	9,707,652	43,429,037
December 28, 1917.....	21,520,231	10,334,124	31,854,355

CANADIAN SECURITY ISSUES

(Compiled from figures furnished by the Dominion Securities Corporation.)

	Dominion Government	Provincial Government	Municipal
1910.....	45,000,000	10,000,000	35,748,690
1911.....	.....	5,675,000	47,159,288
1912.....	25,000,000	10,639,700	48,414,962
1913.....	34,066,666	18,999,884	115,761,925
1914.....	48,666,666	36,748,664	84,388,431
1915.....	169,333,333	45,480,800	66,508,073
1916.....	178,500,000	30,121,933	49,893,763
1917.....	659,882,500	15,300,000	26,104,067
1918.....	674,604,836	24,527,893	45,805,720
1919.....	726,800,000	42,012,000	27,166,393
	Railway	Miscellaneous	Total
1910.....	\$ 69,950,000	\$ 70,301,900	\$231,000,590
1911.....	100,472,700	113,506,000	266,812,988
1912.....	69,972,320	118,911,000	272,937,982
1913.....	108,528,044	96,438,776	373,795,295
1914.....	59,405,666	43,725,640	272,935,067
1915.....	37,915,665	22,655,000	341,892,871
1916.....	15,920,000	42,481,666	316,917,362
1917.....	22,566,666	32,492,800	756,346,033
1918.....	5,000,000	14,030,000	763,968,449
1919.....	35,355,133	78,050,202	909,383,728

THE CANADIAN BANK OF COMMERCE
TOTAL OF CLEARING HOUSES IN CANADA

	1919	1918
1. Brandon.....	\$42,332,940	\$32,655,277
2. Brantford.....	57,825,305	48,141,421
3. Calgary.....	355,011,589	331,334,577
4. Edmonton.....	233,066,949	171,015,066
5. Fort William.....	41,757,191	38,043,344
6. Halifax.....	241,200,190	215,289,303
7. Hamilton.....	306,370,966	262,076,476
8. Kitchener.....	48,244,088	32,558,595
9. Lethbridge.....	38,179,531	41,901,114
10. London.....	164,126,856	126,958,350
11. Medicine Hat.....	24,317,450	24,088,013
12. Montreal.....	6,254,781,093	4,833,924,288
13. Moose Jaw.....	86,447,626	78,425,563
14. New Westminster.....	28,723,983	23,565,162
15. Ottawa.....	472,691,921	357,598,751
16. Peterboro.....	41,376,004	37,574,621
17. Prince Albert.....	21,474,162	14,149,320
18. Quebec.....	290,983,483	238,906,890
19. Regina.....	210,898,984	184,624,631
20. St. John.....	153,134,927	117,133,608
21. Saskatoon.....	105,886,578	91,431,885
22. Sherbrooke.....	49,576,861	42,406,084
23. Toronto.....	4,254,644,303	3,379,864,506
24. Vancouver.....	654,913,208	545,368,714
25. Victoria.....	123,391,345	101,471,852
26. Windsor.....	95,792,025	44,711,453
27. Winnipeg.....	2,316,723,063	2,362,734,211
	<u>\$16,713,872,621</u>	<u>\$13,777,953,075</u>

BUILDING PERMITS

	1919	1918
Montreal.....	\$10,033,901	\$4,882,873
Toronto.....	19,819,436	8,535,331
Winnipeg.....	2,948,000	2,050,650
Vancouver.....	2,271,361	1,440,384
Ottawa.....	3,252,322	2,635,612
Hamilton.....	5,087,462	2,472,254
Quebec.....	2,134,219	904,375
Halifax.....	5,194,806	2,857,855
London.....	2,455,170	876,660
Calgary.....	2,211,100	1,125,200
St. John.....	506,500	351,323
Victoria.....	466,141	289,760
Regina.....	1,699,020	1,006,000
Edmonton.....	931,346	351,470

GROSS RAILWAY EARNINGS

(Based on the preliminary returns for the twelve months ending December.)

	1919	1918
Canadian Pacific.....	\$173,301,000	\$154,023,000
Canadian National.....	90,383,497	81,721,091
Grand Trunk.....	68,312,297	59,901,661
	<u>\$331,996,794</u>	<u>\$295,645,752</u>

AVERAGE MONTHLY SELLING PRICES OF BEEF ON THE TORONTO MARKET

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1903	\$ 6.45	\$ 6.35	\$ 6.81	\$ 7.14	\$ 7.09	\$ 6.61	\$ 6.54	\$ 6.40	\$ 6.11	\$ 5.74	\$ 6.26	\$ 6.26
1904	6.46	6.51	6.41	6.77	7.03	7.56	6.59	6.34	5.93	5.80	6.27	6.27
1905	5.92	6.26	6.29	7.36	8.03	7.60	6.36	6.09	5.63	5.80	6.28	6.28
1906	6.22	6.47	6.80	7.18	7.15	7.36	6.88	6.78	6.41	5.99	6.74	6.74
1907	6.70	6.88	7.03	7.34	7.69	8.38	7.89	7.53	6.84	6.55	7.12	7.12
1908	7.37	7.56	7.50	8.53	9.05	9.10	8.26	7.47	7.31	6.89	7.49	7.49
1909	7.36	7.42	7.71	8.27	8.62	8.84	8.47	7.76	7.87	7.47	8.07	8.07
1910	8.32	8.43	8.87	10.09	10.90	10.53	9.82	9.82	9.28	8.95	9.32	9.32
1911	9.67	9.54	9.14	9.13	9.38	9.69	9.37	9.22	9.13	9.06	8.58	9.27
1912	10.48	9.95	9.89	10.37	10.92	11.79	11.69	10.76	10.38	9.65	9.31	9.92
1913	10.11	10.12	10.12	10.59	10.76	11.04	10.82	10.43	11.96	11.36	11.58	12.84
1914	13.29	12.75	12.43	12.43	12.56	13.15	13.13	13.69	13.62	12.96	12.06	11.93
1915	12.04	11.36	11.05	11.05	12.32	13.12	13.14	12.98	12.43	11.39	11.48	11.69
1916	11.51	11.46	13.50	12.19	13.50	14.37	14.51	13.11	12.54	12.29	10.86	12.57
1917	14.57	15.40	15.81	17.76	17.96	17.80	16.79	15.30	15.44	15.54	15.23	16.88
1918	18.57	18.84	18.11	18.90	21.11	23.52	24.06	20.30	20.54	18.91	18.61	19.88
1919	20.28	18.49	20.25	22.65	23.58	21.81	20.97	19.31	18.69	17.04	15.80	.....

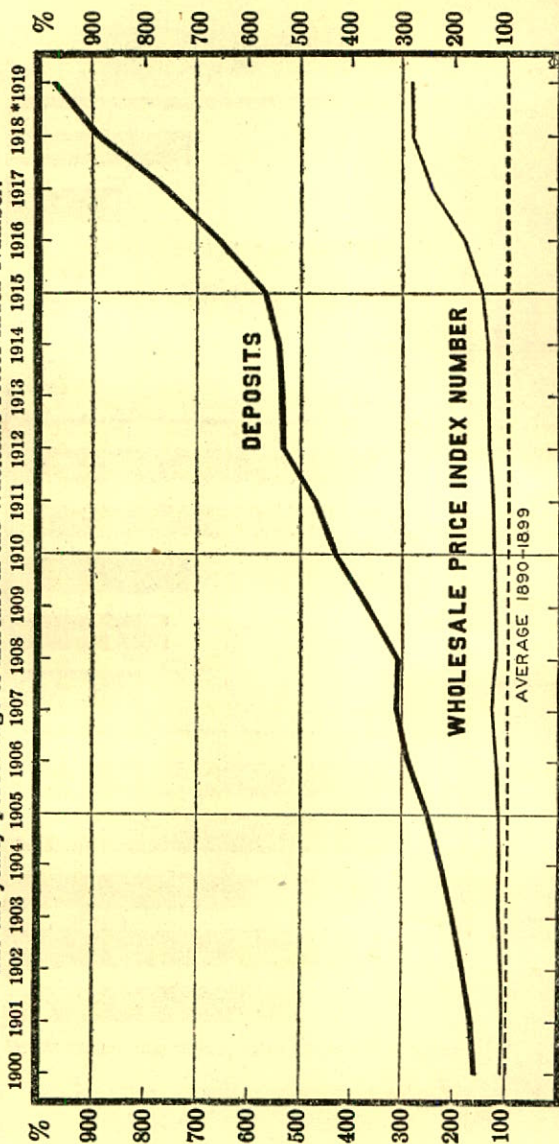
FURNITURE MANUFACTURING

(TABLE ILLUSTRATING THE INCREASE IN THE COST OF RAW MATERIALS.)

	1914	1918	1919
Lumber, Hardwoods.....	\$100.00	\$190.00	\$275.00
Lumber, Spruce Crating.....	100.00	200.00	225.00
Veneers.....	100.00	225.00	250.00
Leather.....	100.00	180.00	250.00
Brass Goods.....	100.00	160.00	200.00
Coppered Steel Wire.....	100.00	175.00	200.00
Screws.....	100.00	270.00	200.00
Nails.....	100.00	210.00	200.00
Sandpaper.....	100.00	190.00	190.00
Methylated Spirits.....	100.00	200.00	130.00
Benzine.....	100.00	220.00	175.00
Shellac.....	100.00	360.00	600.00
Stains.....	100.00	350.00	250.00
Glue.....	100.00	265.00	200.00
Coal.....	100.00	175.00	150.00
Mirrors.....	100.00	200.00	300.00
Coverings.....	100.00	250.00	300.00
Paper.....	100.00	225.00	225.00
Twine.....	100.00	200.00	200.00

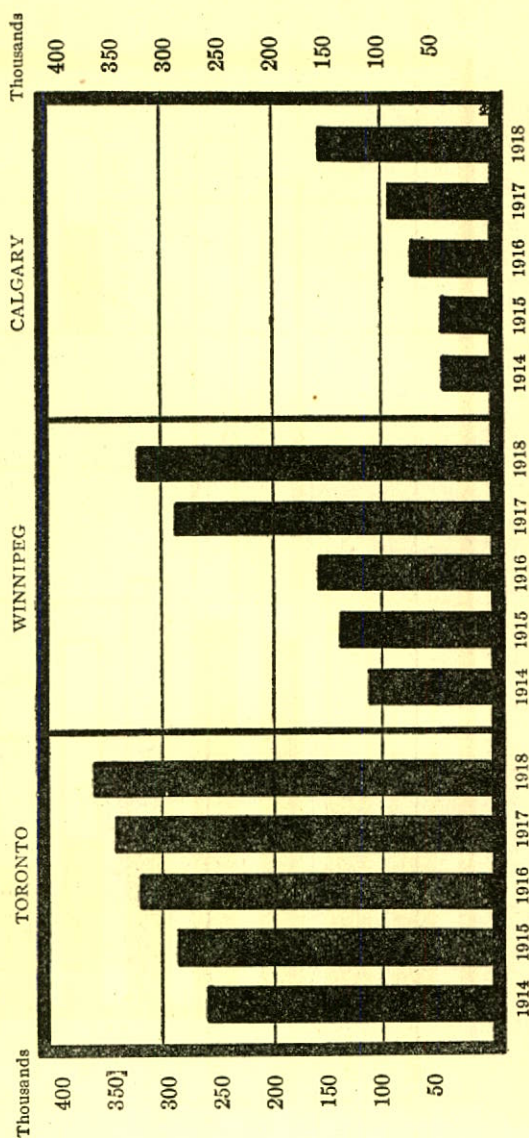
BANK DEPOSITS AND COMMODITY PRICES

Taking 100 as the basis, and as representing the average for the period 1890-1899 in both cases, the upper line in the chart below represents the yearly percentage of increase in Bank Deposits and the lower line the yearly percentage of increase in the Wholesale Prices Index Number.

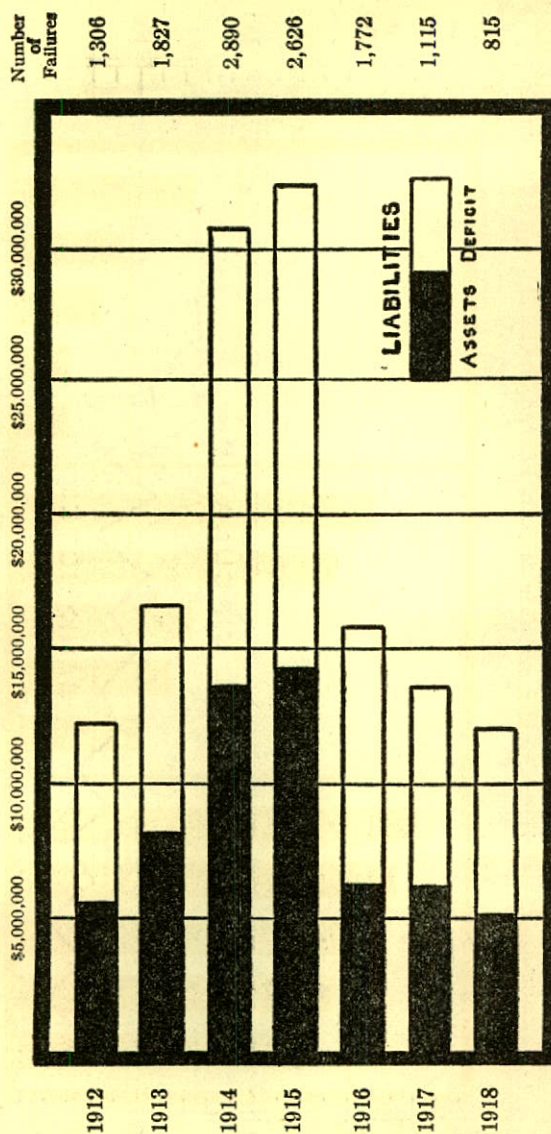


*Average January—July, 1919.

RECEIPTS OF CATTLE AT THE PRINCIPAL MARKETS

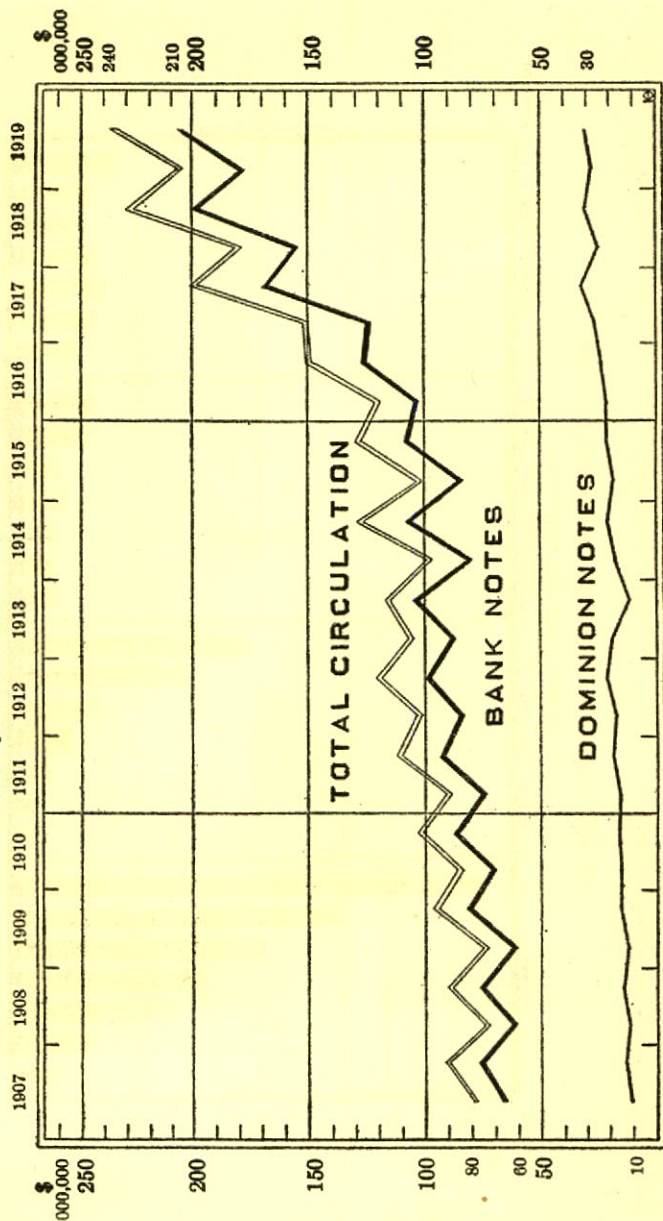


RECORD OF BUSINESS FAILURES



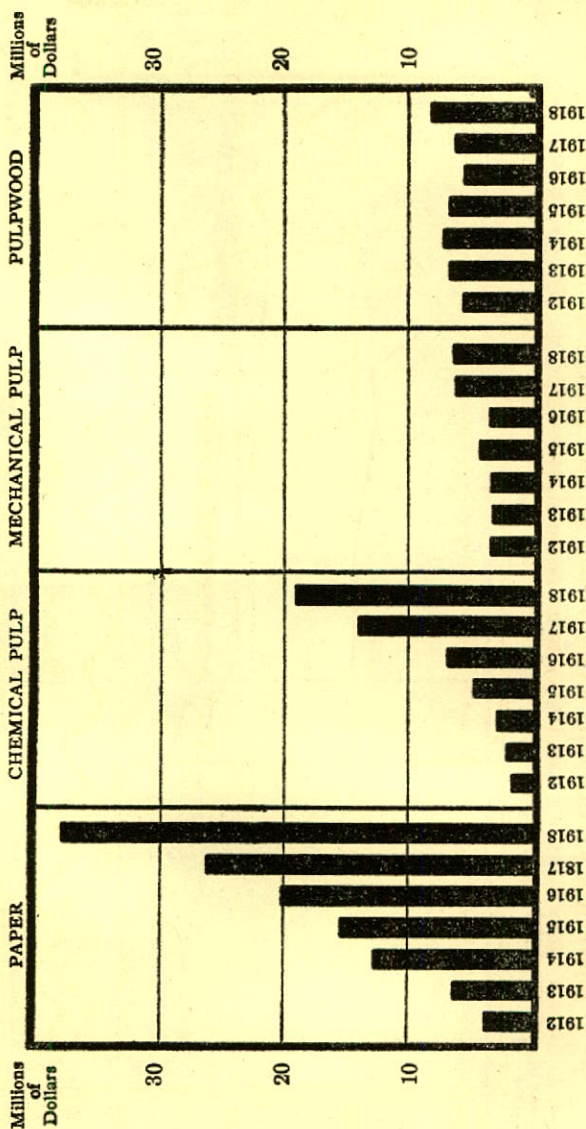
DOMINION NOTES AND BANK-NOTES IN THE HANDS OF THE PUBLIC

As at April 30 and October 31, 1907—1919.

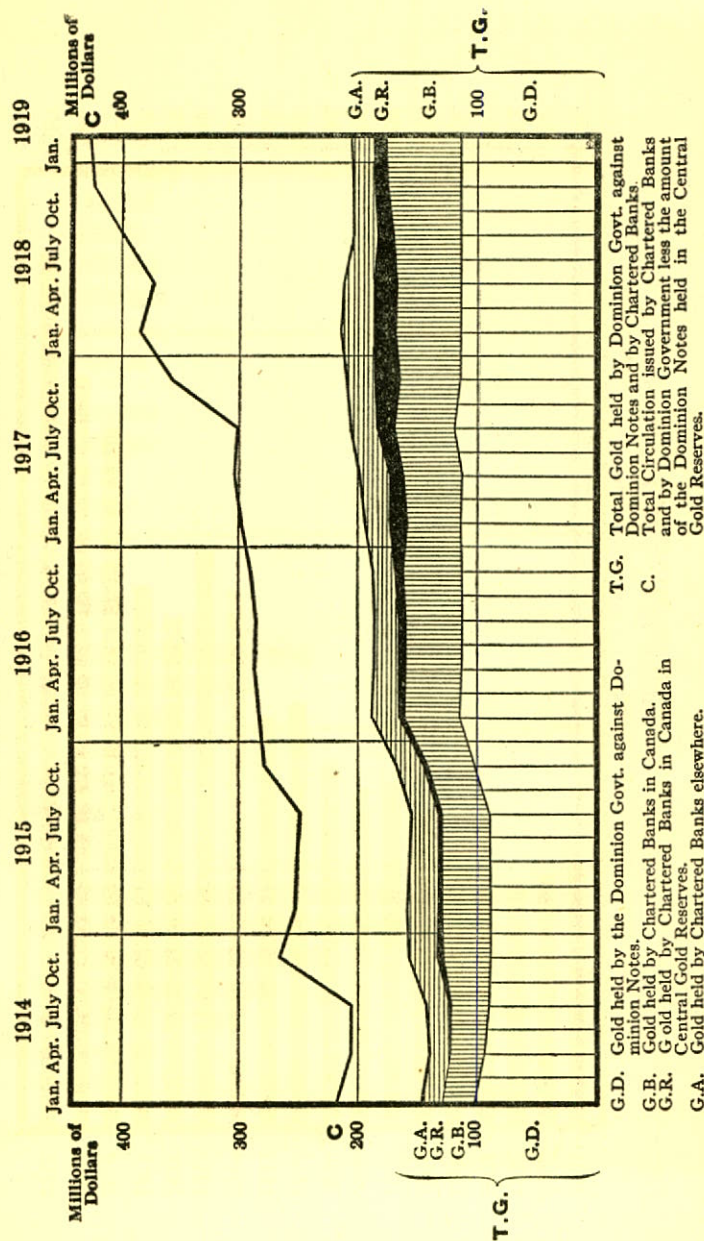


EXPORTS OF PAPER, PULP AND PULPWOOD

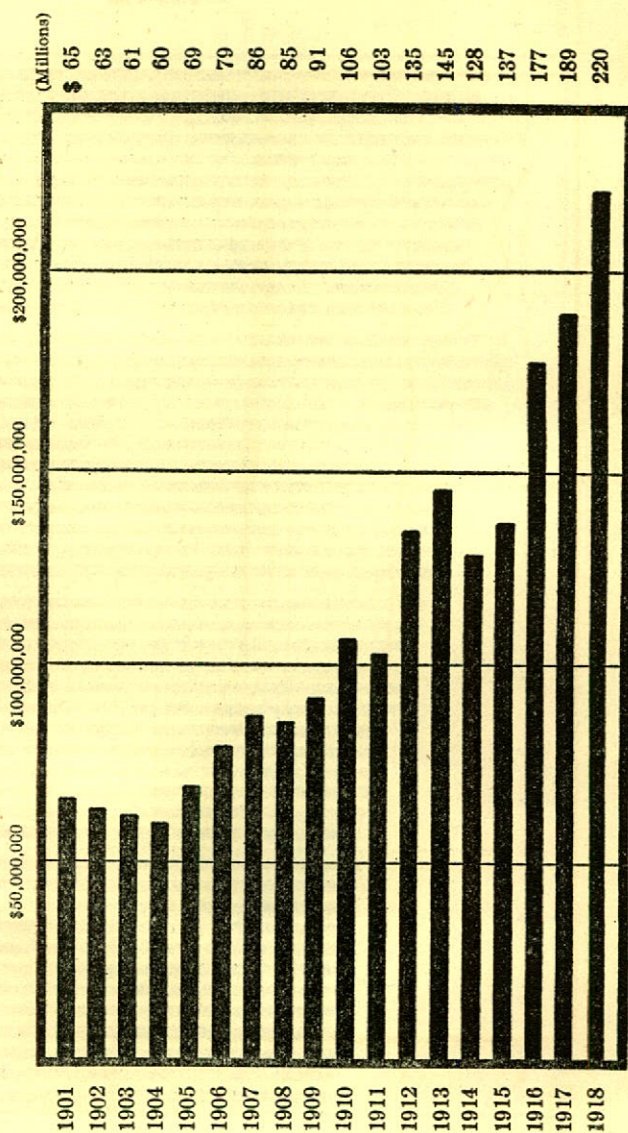
(For the fiscal year ending March 31st)



GOLD RESERVES AND NOTE CIRCULATION



PRODUCTION OF MINERALS



DEPOSITS BY THE PUBLIC PAYABLE AFTER NOTICE

(From the Monthly Bank Statements)

